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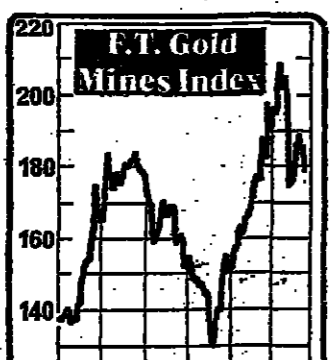
JAMES & TATTON for STEEL

Clot of Distinction Jolland and Sherry LONDON

NEWS SUMMARY

ERAL Rhodesian soldiers carried out a raid on Lusaka in their bid to demolish the home of the African People's Congress (APC).

Equities up 1.8; Dollar rallies



ana oil ban is expected to impose sanctions on Ghana for taking six leading figures in an Acheampong's military coup, including General Fred Akpan who replaced him in a last July.

ce of 'Ripper' 'Yorkshire Ripper' it to be responsible for 11 women, boasted in a recording sent to police: 'I just see myself being just me.'

ist jailed Sheriff, aged 59, a my director, was jailed for Leicester for a series of and other sexual offences.

ratilova wins ding Wimbledon champion Jia Nanavratilova struggled to victory, watched by her r who came from Czechoslovakia on a two-week visa.

id found A human at the bottom of a ide petrol storage tank ned a severed head. Police igniting the murder are on, missing persons about the UK.

io arrested 1,500 people were ed at the Katumba black lip in Windhoek, Namibia at police described as a prevention operation.

Nuclear power station go-ahead expected today

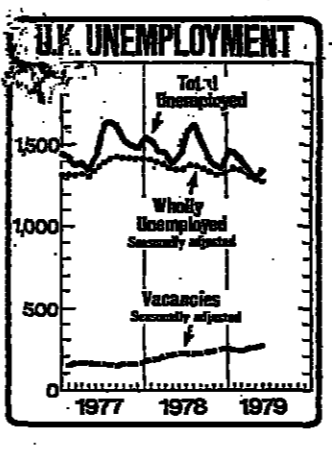
BY JOHN LLOYD

The Government is likely to announce today the long-awaited financial approval for a new 1300 megawatt advanced gas-cooled reactor (AGR) nuclear power station, to cost about £650m.

Contracts Orders for the twin turbines and boilers for Heysham B, together with the twin turbines and boilers for the AGR station at Torness, south of Edinburgh, will be placed soon.

Jobs total falls again

ADULT UNEMPLOYMENT continued to fall sharply in the last month, while notified vacancies rose to the highest level since November 1974.



OPEC begins Geneva talks

By Richard Johns in Geneva

THE Organisation of Petroleum Exporting Countries began its Ministerial conference here today with member States having little idea how prices might be unified in a rational structure.

Saudi Arabia is understood to be adamant still that the basic reference price set by its Arabian Light market crude should not rise from the present level of \$14.55 to more than \$18.

Uncertainty The militant Iranian delegation is said to have been talking in terms of \$20—but this may be an opening bid of a kind that immediately precedes OPEC horse trading.

Fuel costs push up U.S. retail prices

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE TWIN spectres of continued high inflation and an energy-induced economic recession in the U.S. were given more substance yesterday.

The Department's findings, in a confidential document circulated to Cabinet officers a copy of which was obtained by the New York Times, highlight considerable weakness in consumer spending, housing and capital goods orders.

Chrysler Ryton workers vote to strike

CHRYSLER UK workers at the Ryton assembly plant, Coventry, voted overwhelmingly yesterday to strike from Friday, although the management had warned that the action would almost certainly mark the start of a downturn in the size of our company.

Du Pont sues ICI over patents

BY SUE CAMERON, CHEMICALS CORRESPONDENT

E. I. DU PONT DE NEMOURS, the biggest U.S.-based chemicals group, has issued a writ against Imperial Chemical Industries, Britain's largest chemicals company, alleging infringement of UK patents covering polyester yarn production processes.

Table with 4 columns: Section, Page, Section, Page. Includes Unemployment, Lombard, Furness Withy, Surveys, Lead and zinc.

AUDREY HOUSE 46,000sq.ft. of Air-conditioned Offices To Let

Table with 2 columns: RISES, Central Pacific. Lists various market indicators and their values.

EUROPEAN NEWS

Emminger hints at discount rate rise

BY JONATHAN CARR IN MUNICH
 DR. OTMAR EMMINGER, President of the Bundesbank, strongly defended his institution's monetary stability policy yesterday against foreign criticism, and dropped a broad hint that the discount rate will be raised soon.
 His comments in Munich follow suggestions by some weaker-currency countries within the European Monetary System (EMS) that the tough course followed by the West German Central Bank has made their positions more difficult.
 Speaking to the annual meeting of the IFO Economic Institute, Dr. Emminger stressed that effective stability policies by all member countries remained a key condition for the proper functioning of the EMS.
 So far, experience in this respect had not been very positive, but this might change, Dr. Emminger said. West Germany would have to fight still harder to maintain its own

at present largely isolated—stability role and to convince others to follow suit.
 Apparently heralding further action in this direction, Dr. Emminger said the current discount rate of 4 per cent was not appropriate to market conditions. It could be asked whether this should not be corrected before long, he said.
 It is understood that the Bundesbank has come close to raising discount rate recently, and did not do so because it felt the action, though demanded by German internal policy, would increase problems for partners abroad.
 Hence the central bank's irritation at foreign criticism now—raised most recently in an EEC Finance Council meeting. The Bundesbank appears set on raising discount rate in any case—and may take other measures in a further effort to contain rising domestic inflation.
 Dr. Otto Schlecht, State Secretary at the Economics

Ministry, who was taking part in the IFO discussions with Dr. Emminger, praised the general course of Bundesbank policy. But he publicly chided both the Bundesbank president and Herr Karl Otto Pöhl, the vice president, for their somewhat dramatic style of presentation.
 He noted, for example, that Dr. Emminger had not long ago used the expression "alarm-level one" over the state of German monetary policy. Such words were likely to make businessmen and others feel less secure, Dr. Schlecht said.
 Dr. Emminger replied he had used the words because although the Bundesbank had late last year announced a target rate for growth of money supply in 1979, the commercial banks had taken no notice of this for months. He finally felt it was time to bang the table and comments made to him since then made him feel he had been right to do so.



Dr. Otmar Emminger, president of the Bundesbank

May trade deficit is Denmark's biggest ever

By Hilary Barnes in Copenhagen
 DENMARK'S TRADE deficit in May was the biggest ever for a single month, at Kr 2.3bn (£206m), taking the deficit for the first five months to Kr 8.1bn, compared with Kr 6.5bn for the same period last year.
 Last week, the Government announced tough measures designed to prevent a rapid deterioration of the current balance of payments.
 The measures, which are to receive approval by the Folketing this week, include increases of over 20 per cent in energy prices and cuts in Government and local government spending plans.
 The preliminary trade figures for May did not specify the contribution of oil to the growing deficit, but imports in May were 25 per cent higher than in May last year, at Kr 8.29bn. For the first five months, imports rose by 16 per cent, to Kr 37.7bn.
 Exports in May rose by 9.3 per cent, to Kr 5.9bn, and for the first five months by 13.9 per cent, to Kr 29.6bn.
 Last week's Government measures are not expected to produce an improvement in the current balance-of-payments deficit, which was Kr 7.7bn last year and Kr 3.8bn in the first quarter of this year, but they will prevent the deficit from getting worse. The Government now expects deficits of around Kr 9bn in both 1979 and 1980.

Measures to ease Italy's exchange controls urged

BY RUPERT CORNWELL IN ROME

A SIGNIFICANT package of measures to relax Italy's stringent foreign exchange controls, which were introduced amid the successive lira crises of 1976, has been proposed by the country's currency exchange office (UIC). The office is closely, though not formally, linked with the Bank of Italy.
 The recommended steps include an increase in tourist currency allowances from the present L750,000 (£425) to L1m or L1.5m (£850) per trip, and a rise in the maximum permitted export and import of Italian banknotes to L300,000 from the present L100,000.
 The office is technically autonomous, but in practice works closely with the central bank. Its suggestions thus have considerable weight—all the

more so, since they were broadly endorsed by Sig. Paolo Baffi, governor of the Bank of Italy, in his annual report last month.
 An easing of exchange controls would not only be the logical follow-up to the recent sharp improvement in Italy's external position. They also could prove a useful check on currency inflows, which have been behind the recent, and somewhat improbable, argument over the merits of a revaluation of the lira.
 The other proposals include:
 1—An extension of the maximum permitted period for repatriation of export proceeds and settlement of imports to 180 days from 120. This would bring Italy closer into line with international practice.
 2—An extension of the per-

mitted life of special foreign exchange accounts, from the present 15 days to 60 days.
 3—The right once again for Italian-based banks to extend lira-denominated credit lines to foreign correspondents, and relaxation of the complicated procedures relating to foreign currency financing of import payments.
 4—Measures to straighten out the position of Italian banks which have acquired holdings in foreign banks or set up their own foreign "holding" concerns, with a book value of an estimated L100bn (£58bn).
 Many of these deals are at present recorded as unspecified debit items on their balance sheets. Instead, the banks would be permitted to acquire the foreign currency required to bring the transactions into line.

German population falling

BY ROGER BOYES IN BONN

THE population of West Germany is likely to fall dramatically over the next 50 years, with far-reaching consequences for the German economy, a long-term forecast issued by the Cologne-based Institute for German Economy said yesterday.
 The German population is likely to fall to 55.9m in the year 2000 from a total of 61.4m in 1976, the Institute estimates. Unless a rapid upswing occurred in the birth rate, matters would get steadily worse after 2000, with the population dropping to 42m in the year 2030, and 23.3m in 2070.
 Even these figures, the institute said, were based on a status quo model. In fact, a small but steady drop was taking place in the birth rate, so that these forecasts were probably optimistic.

The declining population would hit the economy in two ways, by reducing consumer demand and putting strain on the employment market. But in the short-term—over the next 20 years—the problems could be kept under control.
 The bulk of consumer demand would be maintained by the large band of middle-aged—who are now in their 20s. Moreover, a 3-4 per cent increase in productivity should be sufficient to ease the impact of labour shortages and imbalances.
 Recent Government studies have shown that the authorities can actually profit in the short-term from the declining birth rate. One has demonstrated that, with a static birth rate, it should be possible to save DM 6.5bn (£1.6bn) in 1984 because of fewer child allowances.

French revise accounting

BY TERRY DODSWORTH IN PARIS

STEPS TO revise French accounting practice with the aim of bringing it more into line with European practice were put in motion by the Economics Ministry yesterday.
 It is expected that the reorganisation, which will involve the adaptation of French legislation on company accounts, will take until 1982 to complete.
 According to EEC directives, accounting law must be harmonised by August next year. After that, a further 18 months can be accorded to companies to make the necessary changes.
 The French are taking the opportunity to develop a system which they believe will be more informative.
 Frequent criticisms have been made of present practice, on the grounds that it gives

companies too much leeway to obscure what is happening in the organisation.
 The changes will centre on two main issues, a system of giving indications of general management standards, and a new guideline to the basic figures which must be presented in the accounts.
 The Ministry claims that these moves will make accounting standards clearer, and also more adaptable to the needs of companies of different character and size.
 Under the heading of management indicators, annual accounts will be expected to show gross operating results, and the capacity for self-financing.
 The presentation of more traditional figures will be organised under two main headings.

Spain's inflation ahead of target

BY ROBERT GRAHAM IN MADRID

SR FERNANDO ABRIL MARCHESI, Spain's economic overlord, yesterday conceded that inflation was running above the Government's target, and, as a result, existing wage agreements would have to be adjusted.
 Sr. Abril's comments coincided with the official announcement of the May consumer price figures, which recorded an increase of 1.2 per cent. For the first five months, the accumulated rate of inflation is 6.4 per cent. This compares with a government target of 6.5 per cent for the first six months.
 Sr. Abril, who is deputy Prime Minister with overall responsibility for the economy, said yesterday that the January-June inflation figures would be above

the 6.5 per cent target, although he did not say by how much. On a yearly basis, inflation is running at just under 14.5 per cent, which compares with a government target of reducing inflation during the year from 17 per cent to 10-12 per cent.
 The Government's wages policy was formulated in a controversial decree at the end of December, when the Government gave up the idea of a negotiated agreement between trade unions and employers. Wages were allowed to increase to a maximum of 11-13 per cent. But it was stated that should the half-year inflation rate rise above 6.5 per cent, wage agreements would be adjusted accordingly.
 Sr. Abril discounted the prospect of a generalised wage negotiation of existing wage agreements. He gave no details of the mechanism he envisaged, but it appears that the Government is considering a simple adjustment which would permit the already agreed increases to keep pace with the higher rate of inflation. This may not be so simple to apply, however, since

at least 10 per cent of the major wage agreements contained awards higher than the Government norm. Therefore it could cause considerable antagonism if the inflation adjustment were applied to the 13 per cent average envisaged in the original decree.
 Last year, the Government refused to raise energy prices, especially the heavily subsidised fuel oil, in order to hold inflation down. This year, Spain has continued to import oil and oil products at above the European average.
 The breach of the inflation target is part of a more general slippage in Government economic objectives for 1979. The planned 4 per cent growth in GDP is now unlikely, and could tick at 2.7 per cent. This would result in unemployment increasing by over 250,000, instead of levelling off. Thus, if the unions so choose, they can take the Government to task using wage restraint as a bargaining counter. This could also be extended to the whole area of labour legislation now being formulated.



Forum for world leaders.

When China's Vice Premier Deng Xiaoping landed in Washington recently, the world's balance of power began to change.
 Just before leaving China, Deng spoke freely to one American publication about the purpose and significance of his visit.
 As had Brezhnev a few weeks before, Deng spoke exclusively to TIME. Partly because in TIME his ideas would be spread among the leadership community in all the nations important to an emerging China; and partly because TIME has long been recognized as the foremost journal of news in the world.
 It is the importance of TIME Magazine—known in any land or language—that gains it entrance to the hard-to-see... and earns it more readers in more countries than any other news magazine.



The news magazine for the internationally minded.

E. Germans, Soviets co-ordinating Rhodesia strategy

BY LESLIE COLLITT IN BERLIN

THE EAST GERMAN and Soviet Defence Ministers are meeting to co-ordinate increased military aid to the Patriotic Front guerrillas fighting in Zimbabwe Rhodesia. The Soviet Union is to step up shipments of artillery and ground-to-air missiles, with East Germany providing training.
 Gen. Heinz Hoffmann, East Germany's Defence Minister, and Marshal Dmitri Ustinov, the Soviet Defence Minister, are holding talks in Moscow on their joint military efforts in southern Africa.
 The East German Defence Minister is in the Soviet Union, after his recent visit at the head of an East German military delegation to the front-line states of Zambia, Tanzania, Angola and Mozambique which are aligned against Zimbabwe Rhodesia. Last week Mr. Joshua Nkomo, co-president of the Patriotic Front, spent six days in East Germany discussing details of the new East German military aid programme.
 In a toast to Marshal Ustinov, Gen. Hoffmann said East Germany has learned from the "Soviet Union and its army

how to practise solidarity and to give effective aid to the peoples taking part in the anti-imperialist struggle."
 East Germany is estimated to have more than 700 soldiers and officers in Angola and Mozambique, whose armies they are training to use Soviet tanks and howitzers. At least as many East German civilian advisers are reported to be helping set up the state security and police forces.
 East European reports say East German army training officers are to be sent to Tanzania and Zambia to instruct the Patriotic Front forces in the use of 122 mm and 132 mm howitzers and Soviet ground-to-air missiles.
 Yesterday's East German Communist Party newspaper, Neues Deutschland, carries a series of dispatches designed to show that the U.S. is setting up an "intervention force" for possible use in southern Africa. The newspaper also quotes a Zambian publication which alleges that the West is "secretly testing new weapons in Rhodesia, including chemical warfare agents."

FOREIGN CURRENCY FOR YOUR HOLIDAYS?

Did you know that Chequepoint can provide you with your holiday foreign currency at a better rate than virtually any clearing bank? Before you buy your currency this year, compare the facts: In a recent survey carried out by the Evening Standard and Peter Rost, MP, the findings were that Chequepoint "gave a better deal on Sterling into Dollars." For just over £50 they received the following amounts:

- From Chequepoint: \$110
- From the National Westminster Bank: \$104
- From a Bureau de Change: \$101

Chequepoint can provide currency bargains in virtually any currency including pesetas, francs, lire, etc.

When you come to order your foreign currency stretch your holiday pounds with Chequepoint.

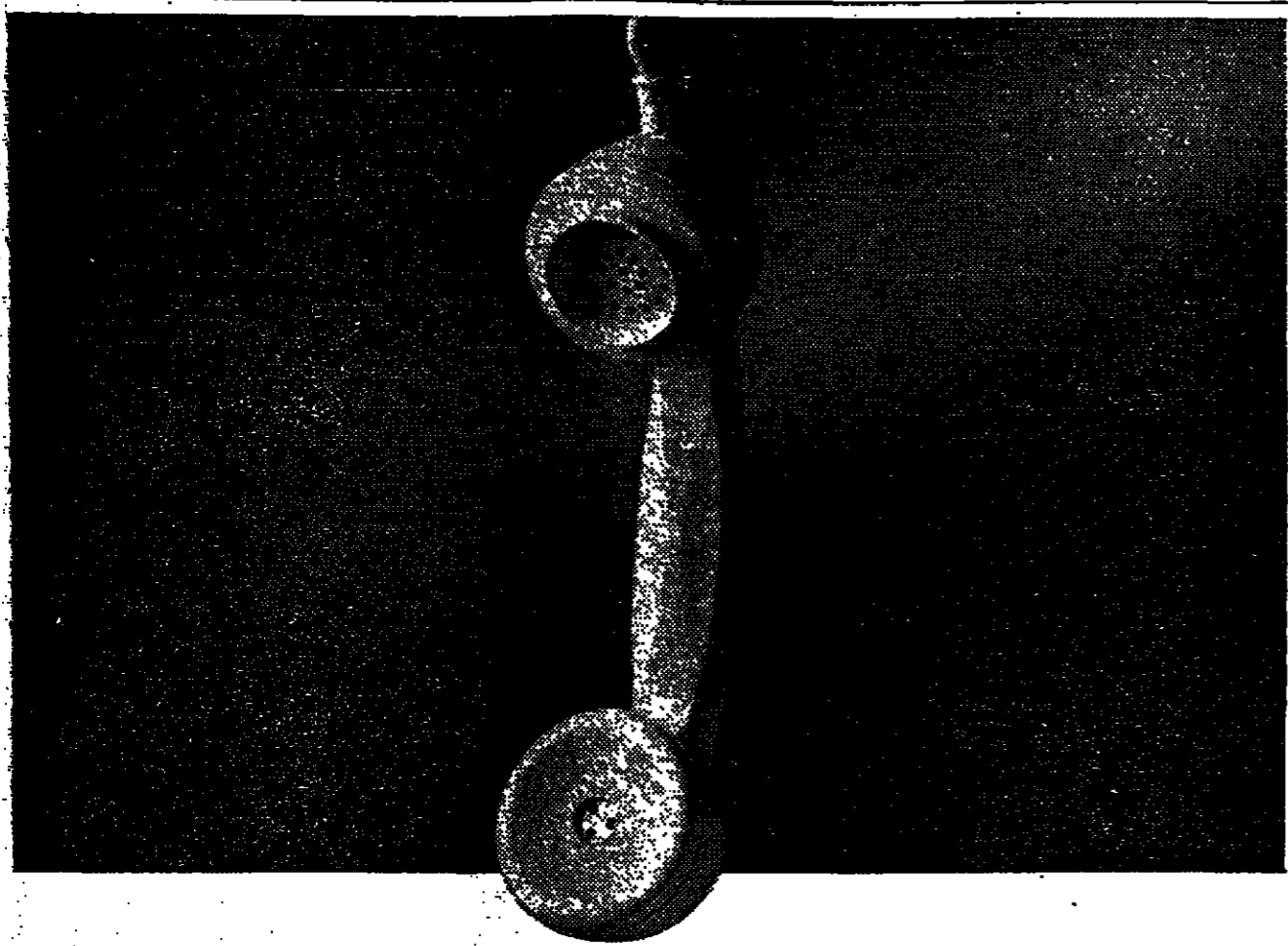
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Handwritten signature or mark at the bottom of the page.

PHILIPS

Simply years ahead



Philips have a message of hope for all hangers-on.

The saddest sentence in the English language must be "Line engaged, caller. Will you hold?" Unless it's "I'm sorry caller, there's no reply."

Philips' new EBX 8000 computerised exchange kills both these incidents, and a good many more. If a line is engaged, or unanswered, it will automatically transfer the call to another line, or lines, in a pre-arranged rota.

DON'T CALL US, IT'LL CALL YOU

The EBX 8000 will even automatically ring

you back if you call an engaged extension, when that extension is free.

It will bring a third party in on a conversation, at your bidding. It has a very ingenious system of abbreviated dialling, which enables you to call München-Gladbach in just three or four digits. (Less chance of mistakes.)

And if you want to prevent your secretary ringing her boyfriend in Sydney, it has a fiendish device that remembers to stop such an

abandoned use. And it does much more to make it literally 'future-proof' - from 300 to 8,000 extensions.

The EBX 8000 typifies Philips' approach to business equipment. Put simply, it's the 'better mousetrap' philosophy.

Philips believe all things are capable of improvement. Inconveniences, snags, snarl-ups and delays are not an inevitable pre-ordained part of business life.



How Philips made the quick brown fox jump even quicker.

"Send this memo only to the members of the company earning over £20,000 a year. And I want the pyramid chart of our overseas structure completely revised. After that, you can update our brochure for new staff to bring it into line with the Sex Discrimination Act."

A secretary armed with the new Philips 300 Series Dictating machine for word input and the P5002 Word Processor for word output would take this in her stride.

THE COMPUTER WITH A 44,000-WORD VOCABULARY
The 300 Series Dictation/Transcription

range will cope with 30 minutes of dictation on the new 'Mark and Find' mini-cassette - about 4,000 words.

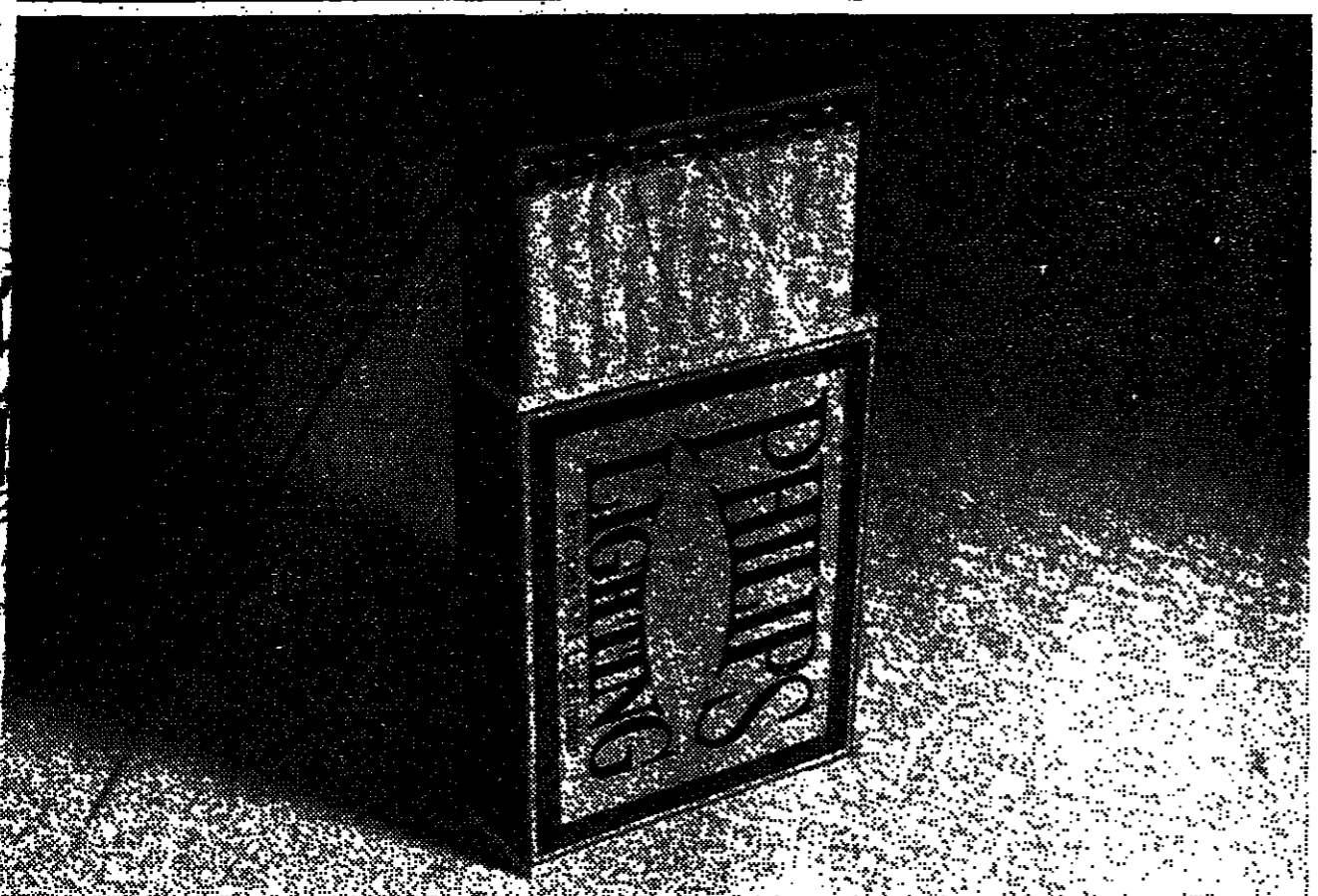
The P5002 Word Processor can memorise 128 typed A4 pages which is the equivalent of 10 of these mini-cassettes.

It will type them, amend them, personalize them (in the case of letters), search through a whole document for a particular phrase, and even remember that every time you say "père ratio" you want it spelled out as "price earning ratio on a nil

tax basis." Because the P5002 uses floppy disks for its elephantine memory it cuts down dramatically the time your secretary needs for what is called her "text production function" (typing, to you and me).

So she has more time to be a real secretary.

And this, so far as Philips are concerned, is what business efficiency is all about - making machines do the boring, repetitive parts so that people can concentrate on more rewarding work.



Ask us for a light, and we could cut your lighting electricity bill by 1/3

Until Philips introduced Colour 84, high light-output fluorescent lighting gave poor colour rendering, and tubes which gave faithful colour were poor in light output.

Inefficient lighting standards - whether in terms of level of light or colour values - are bad for productivity, for staff morale, and for showing goods to best effect in a store.

The breakthrough came with Colour 84.

Using a new generation of fluorescent powders, derived from their knowledge of colour TV, Philips developed a unique combination of high light output and high colour rendering.

NO SELLING UNDER FALSE COLOURS

Shopkeepers like Colour 84, because nobody buys a bluish pink cardigan only to find it's old rose when they get it home. Office

managers like it because it's easier on the eyes. And accountants like it because it cuts lighting electricity bills by up to 1/3.

Colour 84 is typical of Philips' attitude to efficiency. Don't just make something more economical. Make it demonstrably better.

And this tenet is followed faithfully in every area of business efficiency in which Philips are involved.



What the well-dressed computer operator is wearing.

It is, of course, a mini-cassette. (A Philips invention, by the way.) But it's not for dictation.

It's used to program Philips' new generation of small computers for companies about to take the awesome step of moving into computers from electro-mechanical accounting.

The INFORMA, P300 and P400 ranges have been designed to make this transition as painless as possible.

They range in price from the cost of a Cortina to a Daimler Double-Six. They are

backed by a library of 200 ready-to-wear programs, neatly packaged in mini-cassettes.

THEY CALL IT 'USER FRIENDLY'

Most important from a first-timer's viewpoint, they are, in the jargon of the business, "user-friendly."

They don't demand long retraining of your staff, nor do they need new specialist staff. It takes a good typist under two days to get the hang of them.

If you don't immediately associate Philips

with computers, you should know that Philips are market leaders in all but the very largest data processing systems.

Philips' record to date of 75,000 installations gives them a unique storehouse of knowledge, and puts them in a unique position to pioneer innovation.

These 'starter' computers illustrate aptly Philips' approach to business efficiency.

Look at a problem from the user's viewpoint. And then *innovate* to solve those problems.

Philips - a whole new world of knowledge in business efficiency.

In the last few weeks you'll have seen these advertisements for some aspects of Philips in business efficiency.

However, you'll realise that the picture is far from complete. We haven't touched on closed-circuit TV, audio and video systems, traffic control, environmental monitoring, or many other areas concerned with business efficiency.

WHO KEEPS THE KEY TO THE STOREHOUSE?

To bring these diverse interests together, Philips have set up a special unit - Philips Group Projects (U.K.) - to help companies engaged in plans which need a whole gamut of electronic products and services.

It is a single point of contact which can deal with everything from management services, design, engineering and research to finance.

The new communications systems for the All-England Club, Wimbledon and Britain's largest indoor leisure centre in

Sunderland, are two ventures in which Philips Group Projects (U.K.) have played a major part, as well as a host of more modest projects.

NOT SEEING THE TREES FOR THE WOOD

Philips are big in so many fields, it's easy to overlook the fact that they are very big in business efficiency.

In fact, Philips market leadership in the free world includes business communications, telecommunications, dictation systems, as well as medium size data processing systems.

And, putting our money where our mouth is, Philips spend over £450M a year world-wide on research and development to maintain this leadership.

"Simply years ahead" is the claim at the top of this advertisement.

May we prove it to you, in one or more of the business efficiency fields we list opposite?

NOW LET'S TALK BUSINESS EFFICIENCY

If you would like more information about business products and systems from the Philips Group, please ask your secretary to tick the appropriate box:

Philips Data Systems Electronic Accounting System Office Computer System
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OVERSEAS NEWS

Peking announces law for joint ventures with West

BY JOHN HOFFMANN IN PEKING

CHINA'S Government yesterday published a disappointingly sketchy outline of a proposed law to govern joint capital ventures with foreign companies. The announcement is likely to give little comfort to would-be investors...



Mr. Masayoshi Ohira

Carter to discuss Korea withdrawal

By Richard Hanson in Tokyo

PRESIDENT CARTER will discuss U.S. plans for withdrawing ground troops from South Korea when he visits President Park Chung Hee this weekend following the Tokyo summit.

Kaunda-Muzorewa move fails

BY TONY HAWKINS IN SALISBURY

ATTEMPTS to arrange a meeting between Bishop Abel Muzorewa, Zimbabwe Rhodesia's Prime Minister, and President Kenneth Kaunda of Zambia have broken down.

Doubts on royal security

BY MICHAEL HOLMAN IN LUSAKA AND MARTIN DICKSON IN LONDON

THE LATEST raid into Zambia by Zimbabwe Rhodesia forces will prompt fresh questions about the adequacy of security arrangements in Lusaka for the forthcoming visit by the Queen and for the Commonwealth conference.

IMF critical of Israel economy

BY L. DANIEL IN TEL AVIV

STRONG criticism of Israel's economic policy has been expressed by the IMF Board of Directors, following a report prepared by an IMF mission which visited Israel several months ago.

Hangings likely in Syria

BY IHSAN HIJAZI IN BEIRUT

PUBLIC HANGINGS are expected to take place in Syria soon after the sentencing to death of a number of people accused of involvement in the Aleppo massacre of artillery cadets.

S. Africa gold output 'cause for concern'

By Bernard Simon in Johannesburg

IMPROVED LABOUR relations are one of the keys to the future well-being of South Africa's mining industry. Mr. P. A. von Wielligh, president of the South African Chamber of Mines, indicated at the chamber's annual meeting yesterday.

RESIDENTIAL PROPERTY COMPANY NOTICES

Multiple real estate notices including 'Own a superb Mobile Home on a luxury 4 star park in Paris', 'DOLLAR PREMIUM REMOVED', 'RIVER VIEWS', 'MOTOR CARS', 'ART GALLERIES', etc.

Degussa reports favourable overall results.

Financial report for Degussa for fiscal 77/78. Metals sector grew substantially, Chemicals sector sluggish. Fiscal 77/78 was a year of mixed fortunes for Degussa...

U.S. issues visa to Rhodesian Prime Minister

DAVID BUCHAN IN WASHINGTON

U.S. State Department has issued a visa to Bishop Abel Muzorewa, Zimbabwe-Rhodesia's Prime Minister, to visit the U.S. a second week of July. Muzorewa is being visited by the Carter administration, which has just named a Rhodesian expert to lead a mission to South Africa.

before Britain does, and that black African public opinion should be consulted. "No one wants to get out ahead of the British in this very difficult matter," a House committee official commented yesterday. Because the House Committee vote was unanimous—33 to 0—its recommendation is expected to be approved by the full House, perhaps as early as this week.

Tony Hawkins adds from Salisbury: Officials here reacted sharply to President Carter's announcement that a junior State Department official would pay periodic visits to Zimbabwe Rhodesia from his base in Pretoria. One official described it as "almost an insult."



Bishop Muzorewa

Senate voted by a big margin to end sanctions this week. But signs of instability in the Muzorewa Government and inside the Bishop's party have had a tempering effect on many members in the House of Representatives.

Windfall profits tax: how it affects the oil companies

BY DAVID LASCELLES

PRESIDENT CARTER'S plan to axe windfall earnings oil companies will reap from oil price decontrol has certainly captured the heart of the nation. But it can hardly be said to have captured its mind. The proposed tax is one of the most widely publicised yet intricate pieces of fiscal legislation ever put before Congress.

On June 1, Mr. Carter used his executive authority to abolish existing controls on oil prices (this incidentally, is one of the few things that the President can do about the current energy crisis without resort to Congress. Over a 28-month period, domestically-produced oil is to be phased into higher price categories until it all sells for the world market price.

But even then, U.S. oil prices will not be completely free. There will be a new "base price" for oil which can be adjusted only for inflation, not for any changes in the market or the OPEC price. At the same time, Mr. Carter proposed to tax part of the amount by which the price of oil rises above its controlled level. Mr. Carter suggested a 50 per cent tax as sufficient to cut into the oil companies' wind-

fall profits without dampening their incentive to use their newfound wealth to go out and find more oil.

Thus, the tax was partly a sop for decontrol, but partly a measure to raise revenue which Mr. Carter said should be applied to developing alternative energy sources and reducing the dependence of the U.S. on imported oil.

Broadly, it would work like this: oil selling for \$10 per barrel before decontrol would be subject to a 54 tax if it went up to \$18. This tax would be levied on top of federal and state income tax, royalties and so on. But the tax would be temporary, it would be phased out once the decontrol process was over, probably by the mid-1980s.

Thus, a company whose income from oil rose from \$100m to \$150m as a result of decontrol would pay a 50 per cent tax on the \$50m, or \$25m. The remaining income, \$125m, would be subject to regular federal company tax at 45 per cent, or \$56.25m. The company would thus pay a total tax of \$81.25m, an effective tax rate of 54 per cent. (This example excludes royalties and other taxes).

A temporary tax of this kind had been widely predicted. But Mr. Carter went a step further and unexpectedly proposed a new permanent tax to succeed the windfall profits tax. This would take away half the difference between the new domestic oil "base" price reached in 1981 and any increases in the price of U.S. oil directly attributable to moves by OPEC, hence its name, the "OPEC" tax. The idea, he said, was to prevent unearned and excessive profits resulting from possible future public welcomed it, and the oil industry accepted it as the political price for decontrol.

The House Ways and Means Committee, the first Congressional body to examine the tax, turned out to be hawkish. After several days of lively debate it put together a Bill which hardened Mr. Carter's proposals.

WINDFALL PROFITS TAX

	Proposed by President Carter	House Ways and Means C'cee Bill
Basic tax rate (per cent)	50	70
Tax on Alaskan oil (per cent)	None	50
Tax on new oil (per cent)	50 on increase over \$16 per barrel	50 on first \$9 increase over \$17 per barrel 70 thereafter
"OPEC" tax (per cent)	50	70
Gross yield (\$bn)	Low case	High case
1980	1.4	1.4
1981	4.0	4.2
1982	6.0	7.8
1983	—	—
1984	—	6.5

Low case assumes zero growth, High case assumes 3 per cent annual real growth in oil prices. House estimate assumes 1 1/2 per cent real annual growth.

OPEC price increases. Mr. Carter made one big exception to his tax: Alaskan oil, on the grounds of its high transportation costs.

Reaction to the tax was mixed. The oil companies, not surprisingly, bitterly opposed it. And some of its supporters also argued it should either be tougher or more lenient. But generally, the

public welcomed it, and the oil industry accepted it as the political price for decontrol.

The House Ways and Means Committee, the first Congressional body to examine the tax, turned out to be hawkish. After several days of lively debate it put together a Bill which hardened Mr. Carter's proposals.

Mr. Carter's \$16, with the first \$9 that prices rise above that subject to a 50 per cent rather than a 70 per cent tax, the idea being to encourage the oil industry to find new oil.

The oil companies are angry about the tax because they say it will blunt their incentives to explore for oil or to use expensive tertiary recovery techniques to enhance production from existing wells. So few costs are allowable against the tax that it amounts to a tax on revenue rather than earnings. (One treasury estimate of the costs that oil companies will be able to set against windfall earnings in 1980 amounted to only 25 per cent.) The tax will fall hardest on companies (including many majors) who rely on their cash flow from existing production to finance future exploration.

On the other hand, many observers have argued that the last round of oil price increases did not produce a spurt in oil exploration and production. They also say that while the oil industry as a whole gets a return on its investment that is close to the industry-wide average of 13 per cent, exploration and production activities earn a return closer to 20 per cent, making a strong case for a windfall profits tax.

The oil companies retort that exploration and production is a high risk business, and that they need a high return to keep at it, particularly since cheap oil

sources are now pretty well exhausted, and new finds will have to come in the costly northern or offshore areas.

The oil companies are most angry about the "OPEC" tax because unlike the rest of Mr. Carter's proposals, it amounts to a new permanent tax on oil revenues. Mobil, the country's second largest oil company and its most vocal, even went so far as to urge the industry to accept permanent price controls on oil from existing wells, in exchange for complete decontrol of new oil and no "OPEC" tax. This idea did not inspire the rest of the oil industry, though, particularly companies who have more old oil than they have prospects for new.

The House Ways and Means bill must now go to the House floor where it is likely to meet some opposition. But the windfall tax will face its toughest test in the Senate where the finance committee is chaired by Senator Russell Long of Louisiana, a large oil producing state, who is expected to rally to the oil industry's defence.

In the likeliest scenario, the Senate will come up with a more lenient proposal than President Carter's. So given the tough line taken by the House, the final compromise version could turn out to be close to what Mr. Carter suggested in the first place.

Caribbean leaders go to Panama

PANAMA CITY—The five members of the Provisional Caribbean Government of Central America are to leave today on their official state visit, in response to an invitation by Panamanian President Arias.

The five members are Sr. Juan Chamorro, widow of the late President of Costa Rica, Sr. Alfonso Lopez, Sr. Sergio Hernandez, Sr. Daniel Ortega, and Sr. Daniel Ortega, member of the national directorate of the Sandinista Liberation Front.

Panama recognised the Provisional Caribbean Government last Friday, days after breaking relations with the Somoza regime. The date six countries have broken relations with Gen. Somoza's Government: Costa Rica, Panama, Brazil and Grenada. The Foreign Minister has said that his country is continuing to break relations.

Plan for takeover moratorium

A SIX MONTH moratorium on foreign takeovers of U.S. banks was proposed by Mr. John Heinz, a member of the Senate Banking Committee yesterday. Senator Heinz, a Republican from Pennsylvania, said "he would introduce legislation for the six-month moratorium, and also for the creation of a commission to study such takeovers."

Since 1972 foreign bank assets in the U.S. have more than quadrupled from \$18bn to \$77bn, Senator Heinz said. "If all foreign takeovers of U.S. banks proposed within the last year are approved, an additional \$21bn can be added, bringing the total amount to nearly \$100bn or about 10 per cent of total bank assets," he said. The increase in foreign takeovers had coincided with the rise of petrodollars, and a six-month ban would give the U.S. time to study and propose solutions to the problem.

Bosworth predicts high inflation

Mr. Barry Bosworth, director of the Council on Wage and Price Stability, said yesterday he expects inflation to continue at a high rate for several more months. Reuter reports from Washington. "I do not think you can look to any moderation of inflation in the next few months," he told the Congressional Joint Economic Committee. He expected substantial moderation in retail food prices in the next few months, but thought that any slack would be taken up by higher energy prices.

Court disapproves of the Golden Fleece

JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

SUPREME COURT yesterday significantly narrowed the unity from prosecution that members of Congress enjoy for remarks made off the floor of the legislature. In one case, the court found Senator William Proxmire, prominent Wisconsin Democrat, could be sued for libel for comments he had made in a news release and newsletters to constituents. In another, it ruled that a cartoonist singled out for favourable mention by the Senator in one of his releases was not a public figure who could sue for "actual malice" the Senator's part in bringing action against him. Mr. Proxmire has for years been putting out one of Washington's intermittently using and occasionally calling institutions, known as "Golden Fleece" of the month award.

Highway Administration, for a \$200,000 grant to study motorists' attitudes to large trucks. In 1975, Mr. Proxmire focused on a subsidy given to a Michigan scientist for research into the behavioural aggression among monkeys. The scientist sued the Senator but lost in the lower courts. In its ruling, written by Chief Justice Warren Burger, the court found that Mr. Proxmire's awards were "not essential to the deliberations of the Senate," and that the constitution's "speech or debate" clause did not provide him immunity. The Senator's releases only "represent the views and will of a single member," the Chief Justice wrote. Additionally, the court found that the Michigan scientist and in an unrelated case, a man named in a book as a Russian spy were not public figures in the sense that they did not enjoy the usual free access to the media to defend themselves. Under U.S. law a public figure has to prove "actual malice" in order to win a libel action: that restriction is, therefore, removed.

SPECIAL ANNOUNCEMENT

POSTAL SERVICES

Owing to industrial action and staff shortages the Post Office regrets to inform its customers that mail services in some areas are currently subject to delay. This is particularly the case for mails to, from or passing through the London area. Mail to and from overseas passing through London is also affected.

The Post Office is doing everything it can to remedy the situation and will be keeping its customers fully informed about any changes affecting services.

Customers, especially in London, are asked to post only essential mail during this period of difficulty.

Customers needing information about delays are asked to consult their local postmasters.

The Post Office apologises to its customers for this inconvenience.

The Post Office

WORLD TRADE NEWS

IRELAND'S FOREIGN INVESTMENT PLAN

The IDA fights the current

BY STEWART DALSY IN DUBLIN

IRELAND'S Industrial Development Authority is nothing if not ambitious.

The IDA, the main instrument for attracting new foreign investment in the manufacturing industry, yesterday released its new five-year plan (1978-82), which forecasts a 15 per cent increase in the number of new jobs it hopes to create in manufacturing.

The main point of the plan is that it expects to find 75,000 new jobs over the five-year period. This will entail approving 145,000 new jobs in manufacturing and 3,000 new jobs under its service industry plan. In its previous plan (1977-81) it reckoned the job creation rate emerged as some 12,000 actual jobs this year.

The targets in the new report are important because they are essential to the Government's development plan. The major objective of these plans is to eliminate unemployment by the early 1980s.

At the moment unemployment is conservatively put at just over 100,000 or some 11 per cent of

the work force. The Government, therefore, after allowing for a shrinkage in the work force in declining industries and an increase in labour from the increasingly efficient agriculture sector, wants to find 25,000 new jobs each year over the next few years.

Westinghouse Electric of the U.S. is to invest £1.5m in its third plant in the Shannon duty free area. The new plant,

which will eventually employ 200 people will manufacture specialised electronic products

of 13 per cent. Yet the IDA in its new plan admits that if the new job targets for the economy as a whole is to be reached output must increase by 11 per cent and exports by 16 per cent annually. To help it attract new industries the IDA has introduced two refinements to its package of incentives.

First, it has doubled the amount of money to be spent on its new factory programme to £27m. and it has started a new product development scheme. These modifications come on top of a wide range of incentives, which include

capital grants of up to 40 per cent tax write-offs, training aids and research and development assistance.

Above all Ireland has been able to offer a complete tax holiday on exports. Since there are only 3m people in Ireland this has meant that American companies, say, which have set up in the Republic have been able to export to the Common Market not only free of customs barriers but without any tax burden at all.

From 1981 the tax system will change, and all companies will have to pay a rate of corporation tax of 10 per cent, this will still mean, however, that the tax burden is extremely light.

Despite these attractions it would appear the IDA is setting itself a tall order.

To achieve the job target it needs to find new foreign investment of £400m each year for five years. Although £100m of this will come from the IDA itself the remaining £300m could be difficult if the economic climate in Ireland is perceived as deteriorating.

UK export performance in France criticised

By Terry Dodsworth in Paris

THE SLOWDOWN in British exports to France this year was described as "disturbing" by the British Chamber of Commerce France yesterday following a report underlining the casual attitude of some exporters.

The report was based on a poll of chamber members in France, who were asked to comment on criticisms of British companies.

While the chamber believes that the problems are not widespread, it suggests that failures to honour delivery dates, to respond to letters and to produce relevant literature are still too prevalent.

Mr. Robin Ward, president of the chamber, said that the image of "bone idle" British companies was becoming a serious factor which would be "terribly difficult" to reverse.

The figures show that French imports from Britain went into reverse as a proportion of total French imports in the first quarter of this year.

According to French customs statistics (which vary slightly from Department of Trade export figures) Britain captured only 5.3 per cent (FFr 5.5bn) of total French import trade in this period compared with 5.6 per cent (FFr 5.2bn) last year.

The growth of British exports to France, given as 6.3 per cent for the first quarter in the French figures, is shown more favourably in the DoT statistics. These have British exports going up by 9.3 per cent from £594.3m to £635m.

But the figures agree on the fact that the trade balance between the two countries, which grew to £700m in France's favour last year, is rapidly widening.

Low air fares push world traffic up by 13%

BY LYNTON McLAIn

TOTAL AIR traffic on scheduled airline routes around the world rose almost 13 per cent last year compared with 1977, according to the International Civil Aviation Organisation, the UN agency.

The record rate of increase compares with the average annual growth of 9.5 per cent over the past decade.

The greatest growth in the tabulated freight, mail and passenger activities was in the passenger sector, where the number of people carried rose by 12.3 per cent to 685m.

Freight tonne-kilometres rose by 11.7 per cent to 26.4bn and mail tonne-kilometres by just over 4 per cent to 3.3bn.

The ICAO annual report said yesterday that the growth of international scheduled traffic—in terms of total tonne-kilometres—was more rapid than

for domestic traffic in each of the past 10 years.

But just over half—52 per cent—of the total volume of scheduled passenger, freight and mail traffic handled by airlines of the 143-member states of the Organisation was accounted for by the carriers of the U.S. and the USSR.

Domestic air traffic in the two countries accounted for more than 40 per cent of the total scheduled air activities of all the members. Britain ranked number two in the league of nations operating international services.

Load factors reported by the scheduled airlines reached their highest levels for 20 years last year, according to the annual report. The world average was 65 per cent for passengers, 10 per cent up on the trough of 1970, the year many airlines began introducing new, high-

capacity airliners, ready for future growth.

The weakness of the U.S. dollar and the introduction of more low fares on the North Atlantic boosted passenger traffic to the U.S. by 21 per cent last year.

Airline safety, in terms of passenger fatalities per 100m passenger miles, worsened slightly last year, the annual report said. There were 23 fatal aircraft accidents killing 632 passengers, compared with 24 fatal accidents in 1977 which killed 516 passengers.

The report also said that the concern about the "fall safe" concept—recently criticised in the case of the DC 10—for structural integrity of airliners could lead to more stringent maintenance needs. These could include an earlier-than-expected retirement of some older aircraft.

Swindon looks to U.S.

BY LORNE BARLING

AMERICAN ELECTRONIC equipment makers are to be urged to set up manufacturing facilities in Swindon, which is aiming to create 3,000 new jobs a year over the next five years with the aid of foreign investment.

The town, which is suffering from higher than average unemployment, has in recent years attracted U.S. investment worth around \$40m and is now mounting a campaign to increase that level.

Mr. Douglas Smith, industrial adviser to Thamesdown Borough Council, which is the local authority for Swindon, is to visit 10 U.S. cities in an effort to encourage companies.

He said that because Swindon had only a limited amount of development land, it aimed to attract companies which would provide as many jobs to the area as possible.

Mr. Smith added that although Swindon could not offer the financial incentives provided by other British towns, it had already proved attractive to 20 U.S. manufacturers, mainly because of its convenient position and environmental factors.

More than 140 U.S. companies have accepted invitations to discuss investment in Swindon, and Mr. Smith will meet their representatives during a tour of Massachusetts, Illinois, Texas and California.

China to join exhibition

BY HAZELL DUFFY, INDUSTRIAL CORRESPONDENT

THE CHINESE machine tool industry will be exhibiting for the first time at an international machine tool exhibition to be held in Milan later this year.

The exhibition sponsored by CECIMO, the European Committee for the Co-operation of Machine Tool Industries, will be held from October 10-13.

Thirty countries will be exhibiting, including 13 CECIMO countries. Among the other countries represented are the U.S., the Soviet Union, Japan and East Europe.

Manufacturers which have taken space. These total 43, and exclude some of the major UK manufacturers.

West Germany is taking 12 times the amount of space and Italy, France and Switzerland are all taking more than Britain.

Part of the reason for the low profile being taken by British exhibitors is undoubtedly that the Machine Tool Trades Association in the UK is sponsoring a major exhibition of its own next spring in Birmingham. The MTTA announced yesterday that it is also planning a metal cutting machine tool exhibition two years later.

The Alfa Factor

Advertisement for Alfa-Laval featuring images of industrial machinery and text describing their products and services.

Mideast assembly plant talks

BY RAMI G. KHOURI IN AMMAN

SERIOUS TALK of building a car assembly and manufacturing plant to serve the Arab market east of Suez will be clarified next week after talks in Baghdad between the two prospective Arab partners in the project.

These are the Syrian-Jordanian Company for Industry, based in Amman, and the Baghdad-based Arab Industrial Investment Company, one of the Pan-Arab companies sponsored by the Arab Economic Unity Council. Its capital is shared by seven Arab states—Saudi Arabia, Kuwait, Qatar, the United Arab Emirates, Syria, Iraq and Jordan.

These seven will be the main market for the small car that is proposed to be assembled locally, according to Mr. Khalid Najdawi, general manager of the SJCI.

He will lead a delegation holding talks in Baghdad next week with both the AIC and the Iraqi Industry Ministry, at which decisions may be made on such major matters as whether the plant assembles imported kits or manufactures most of the car parts, the location of the plant and its shareholding structure.

The most likely arrangement, Mr. Najdawi said in a recent interview, is to form a joint venture between the Syrian-Jordanian company and the Baghdad-based Pan-Arab Industrial Company, which has expressed its interest in the project.

Imports from the two markets in the year ending next March for use in Datsun cars sold abroad will total ¥10bn (\$21.6m) compared with ¥4.5bn last year.

The firm's total imports of components and parts in the year will exceed ¥15bn, up from ¥10bn in 1978.

Nissan said it is trying to increase imports of such items as wiper blades, lamps and power steering equipment to help dampen foreign criticism of Japan's massive car export drive, and the company has arranged new import contracts with eight companies in the U.S., Canada, Britain and Austria.

Meanwhile Yokohama Rubber, the second largest rubber producer in Japan, will establish a joint venture with B. F. Goodrich of the U.S. to market car tyres and parts in Japan.

The new company will be called Moberx and will be capitalised at ¥20m (\$4.2m) and will be owned equally by the two companies.

The joint venture is planning to sell about ¥500m worth of automobile tyres in the initial year.

Advertisement for Meccanica Finanziaria Internazionale S.A. featuring financial details and a list of banks providing services.

Handwritten Arabic text at the bottom of the page.

UK NEWS

MPs warned of hitch in tax treaty

BY DAVID FREUD

GROUP of major UK companies yesterday urged MPs not to consider the revised UK-US tax treaty until...

Dresser in Scots mining search

BY PAUL CHEESBRIGHT

THE Forestry Commission has granted Dresser Minerals International an exploration lease...

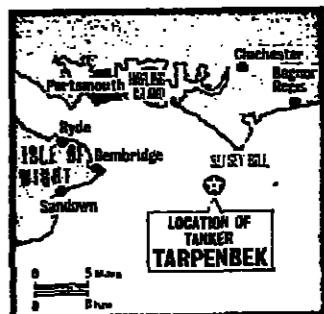


Prince Charles yesterday visited the trading floor of the Stock Exchange. He was accompanied by Mr. Nicholas Goodison, the Stock Exchange chairman...

Leaking tanker for Shanklin rescue attempt

BY LYNTON McLAIn

THE HOLIDAY peace of the Isle of Wight was disturbed yesterday after the Government approved a plan to tow a stricken and leaking oil tanker...



The German tanker Tarpenbek was held last Thursday after a collision in thick fog with the Royal Navy fleet auxiliary St. Geraint.

The tanker last night was lying upside down with her stern stuck in the mud four miles off Selsey Bill, Sussex.

long and crowded with summer visitors.

"We can only assume that the Government is highly confident that it can pull this off without any oil spills."

The plan is to tow her upside down the 15 miles to Shanklin. This will take two tugs 10 hours.

VAT relief will aid disabled drivers

BY LISA WOOD

GOVERNMENT ACTION to enable disabled drivers to lease a car at a much lower rate than that through the charity Motability was announced yesterday by Mr. Patrick Jenkin...

The level of interest reflected the firm demand for barytes at a time of extensive international oil exploration.

Barytes is a common mineral, produced in about 40 countries, with the largest output coming from the U.S. where Dresser is a big supplier.

Dresser's work near Loch Tummel is expected to begin soon but weather conditions confine the Scottish exploration season to the April-November period.

THE CHANGE to metrication should be made as quickly as possible, the Confederation of British Industry said yesterday.

Sir John Methven, director-general of the CBI, urged the Government to make a positive commitment towards completing the changeover.

He said at the annual conference of the Institute of Trading Standards Administration in Brighton: "We are in the worst of both worlds where the managing director of one of our major companies—who is having to carry dual stocks—says they could release as much as £20m in capital for investment if the changeover was completed."

What it costs industry as a whole to cope with both systems, in design, manufacture, stock holding, distribution—right across the board—I hate to think."

"It was claimed that price controls protected the consumer," he said. "What nonsense. At annual cost of £7m or more to the taxpayer, its annual contribution to the fight against inflation was 1p in every £10."

Video camera resistance harming TV news cover

BY ARTHUR SANDLES

THE WARNINGS that a ban by unions to accept new technology in television will affect UK television coverage compared with nations, came yesterday.

Mr. Alan Protheroe, director of BBC Television News, said: "We are all of us on sides running out of time, are being overtaken by our rivals in Europe. Our traditional leadership in editorial technical standards is at the heart of Mr. Protheroe's complaints is combined union opposition to the use of ENG (electronic news gathering) techniques, involves the use of cameras, which produce instant pictures, instead of film equipment. Britain is one of the few developed countries still using film as the news medium."

New factory for Deside

A NEW subsidiary has been formed by Cheshire Steel, of Ellesmere, to manufacture prefabricated scaffolding towers and associated equipment in a factory on Deside Industrial Park.

Some 3.5 acres have been leased from BSC (Industry) for the 25,000 sq ft factory and offices, expected to be ready for occupation in late 1979. It is envisaged that 40 persons, principally craft welders, will be employed there within three years.

Expert warns of cancer risk from fish bred near Windscale

BY DAVID FISHLOCK, SCIENCE EDITOR

BETWEEN THREE and 10 people may die of cancer over the next 20-30 years as a result of eating fish contaminated with radioactivity released from the Windscale factory of British Nuclear Fuels, in Cumbria, according to one of Britain's top experts on radioactivity.

But Professor John Fremlin of Birmingham University says it is a pessimistic estimate, which also assumes that our ability to treat radiation-induced cancers does not improve in that time.

In fact, he says, "our understanding of cancers is increasing extremely rapidly." Professor Fremlin's estimate, made in a report for Cumbria County Council, explains the applications in the latest annual report from British Nuclear Fuels of its radio-active releases from Windscale. The releases of weak radio-active effluents from the reprocessing

of spent nuclear fuel, were hotly debated during the Windscale public inquiry two years ago.

Radio-active releases from Windscale were 12 per cent less in 1978 than in the previous year.

Professor Fremlin, who is the county council's expert adviser on radio-active discharges, says the danger from fish is due to a build-up of caesium-137—a bone-seeking radio-isotope—in bottom-dwelling fish such as plaice and brill living near the end of the sea discharge pipe.

New BL models 'will boost sales'

BY OUR MOTOR INDUSTRY CORRESPONDENT

BL's planned new models could give the company 30 per cent of the UK new car market by the mid-1980s, Mr. Bill Seward, partner and motor analyst at stockbrokers Phillips and Drew, said yesterday.

He told a seminar that if the Mini Metro, the Honda-Triumph and the new medium car to replace the Allegro and Marina were successful, and provided BL improved its market share at the expense of importers, about 150,000 extra cars would be built in the UK.

any major future recovery in UK car production." Mr. Lionel Harvey, director of the Lex Service Group, told the seminar that by the early 1980s BL "should be poised for revival and growth."

The BL policy of concentrating on a "quality car for each segment of the market" in the 1980s would play its part as well as the loyalty of motorists in Britain.

in Britain this year to around 1,656m but that next year registrations might well fall by 10 per cent to 1,525m.

But while the importers' share this year could rise by 13 per cent to 889,000 cars, in 1980 it would probably fall away again to 775,000.

UK car production was expected to remain unchanged at around 1.25m a year between 1978 and 1980.

Sales of light commercial vehicles in the UK would be up 15 per cent to 217,000 this year but fall to 200,000 in 1980.

British Airways advertisement featuring a large image of a TriStar 500 aircraft in flight. Text: 'British Airways starts service with a new long-range jetliner. The L-1011-500. Nothing can match it. Now and for years to come.'

A new era of long-range flight has begun. British Airways has placed the first of its new fleet of L-1011-500 TriStars into service between London and the Middle East, Asia and the Orient. Five other major airlines will be flying this long-range jetliner in the near future.

The Lockheed L-1011-500. The world's most advanced jetliner.

UK NEWS

Price Commission stages last defence

DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

GOVERNMENT'S plans to abolish the Price Commission yesterday met veiled criticism in the commission's latest report.

The shut-down, expected at the end of next month, will mean redundancies for 340 civil servants and the loss of 520 jobs.

There is a need for an agency such as the commission, which is capable of examining in a flexible and conscientious manner the complex structure and performance of British industry, and monitoring price increases in an inflationary situation, the society said.

Strong criticism of the commission came from Mr. Charles Tidbury, chairman of the Whitbread brewing group, which was recently investigated by the commission.

He warned that while the body's abolition was a relief, "experience suggests that mechanisms of Government of one sort or another have a nasty habit of repeating themselves, perhaps in a slightly different guise."

Whitbread claims to have lost £5m profit during the two-month investigation this year. Mr. Tidbury said in the company's annual report: "it should be remembered that Whitbread, along with many other companies, had to submit large quantities of highly confidential information, and we regard it as of paramount importance that such information be either destroyed or returned to us."

Price Commission report for February 1 to April 30, 1979; HC 123; SO £1.50.

Inflation brake

The commission said it had always held that the reduction in the frequency of price increases was an important part of "the process of stopping the inflationary psychology that can produce instability and inefficiency, since frequent price changes, even if small, reduce the incentive to reduce costs, make planning impossible and, by producing uncertainty in the minds of consumers, contribute to the wage-price spiral."

Commission staff yesterday criticised the scrapping of the commission. The commission's branch of the Society of Civil and Public Servants said it was "angry at the haste with which the commission has been closed."

Government wants to ease market pressures to prices under control. Abolishing the commission giving the Office of Fair Trading and the Monopolies Commission greater powers to with price rises in areas limited competition is to be published.

report stressed the value of the commission's regional offices, which will be scrapped. These offices have been a source of information about particular local problems which could be unknown to a body only London-based staff.

report also said that it seen "particularly noticeable how often the regional

Electricity users plan new subsidy

John Lloyd

FORMS of subsidy to the poor, the old and the aged meet their fuel bills proposed today by the Electricity Consumers Council.

A discussion paper backed by National Gas Consumers' Council and the Domestic Coal Consumers' Council, the ECCC has two schemes, both on the principle of group utility.

first scheme proposed give a free ration of one kilowatt hour to certain groups, and is based on a £-used in Ireland.

second provides eligible with a benefit based on percentage of expenditure, by coupled with a flat rate. The benefit would go up "with a special need element," as the elderly and housebound.

Drawbacks

council's paper criticises scheme proposed by the Elementary Benefits Committee, which is based on a "tested benefit."

says it has a number of drawbacks, "because of complexity, its cost of administration, the invasion of privacy required by it, the take-up likely and the way it would worsen the poverty

my electricity consumers believe that prices are too according to the annual report of the Yorkshire Electricity Consultative Council, sheet yesterday. The council says that the prospect of a tariff increase in the north, following the 8 per cent in April, was "very alarming."

Key Markets to use new laser check-outs

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

KEY MARKETS, the Fitch Lovell supermarket group, is likely to become the first UK grocery retailer to introduce laser-scanning electronic check-outs.

Key Markets said yesterday that it planned to introduce the IBM laser-scanning system into its new 35,000 sq ft superstore at Spalding, Lincolnshire, in the autumn.

The move comes as a new research report suggests that more than half of all supermarket check-outs will be electronically controlled over the next few years, with at least a quarter of check-outs using the new equipment.

The check-outs, already used in U.S. and European supermarkets, contain a laser beam which reads a special "bar code" printed on grocery products and automatically provides price and product information for both shoppers and store staff.

The system means that check-out operators will not have to key in prices, which often leads to mistakes. Shoppers will receive a till receipt which describes the product and gives its price. Although this should lead to a faster and more accurate service, the main advantage of

the system is said to be the greater control of sales information for management.

Mr. David Caulfield, Key Market's managing director, said yesterday that computer control of merchandise and monitoring the effect of price movements were the main reasons for introducing the system.

Key Markets has 123 stores of which 30 are more than 10,000 sq ft and likely to be best suited to the equipment. Mr. Caulfield said that expansion into other Key Markets stores would take place depending on the success at Spalding.

The Spalding store will have 14 check-outs operating the equipment, which is based on the IBM 370 system.

The other big supermarket multiples are also carrying out trials of electronic checkout equipment, although no firm date for the introduction of laser-scanning checkouts have yet been announced.

The report predicting a boom in new electronic checkouts is published by Post News, a Somerset-based research company, and is called "Electronics in Supermarkets." It suggests there will be 33,000 electronic checkouts, worth about £100m, in use in five years' time.

Top supermarkets increase share

THE increasing dominance of the leading supermarket multiples in the grocery industry has been shown by new figures now circulating in the trade.

Prepared by the AGB research company, these figures show that since 1976 the three leading supermarket operators—Tesco, J. Sainsbury and Asda—have increased their share of the £3.5bn grocery market by almost 10 per cent.

In 1976, these three companies together accounted for 21.6 per cent of the packaged grocery market as monitored by AGB while last year their share had risen to 29 per cent. The figures for May show that this concentration has risen to 30.8 per cent.

Tesco has the largest share, closely followed by J. Sainsbury and then Asda.

"We wanted to export body armour to the Middle East. How could Export United help us? The answer was interesting."



A relatively small company, Bristol Composite Materials Engineering Limited designs and manufactures lightweight composite and reinforced plastic products which it sells worldwide.

Products range from aircraft fuel tanks and carbon fibre flooring to a wide range of lightweight armours for protecting people, buildings and aircraft; also pipes for water well irrigation and process plant applications.

Reports Mr. Alec Ewens, Marketing Director, "We're enthusiastic members of Bristol's Chamber of Commerce and BOTB's Export United campaign in the West Country. So we readily embraced the opportunity created by a chamber trade mission to Saudi Arabia.

This was to have a competition in the factory designed to increase awareness of the importance to all employees of exports and thereby encourage a greater team spirit.

The competition involved writing a 500 word essay on the importance of overseas markets. The prize was a place on the BCM delegation to Saudi Arabia as an active member of the sales team.

The mission was successful and our winner, Mr. Norman Burge, played a very useful part. The real value of our Export United campaign, however, is in the way it helps the understanding that exports are everybody's business in a company like this."

What is Export United? Export United is an internal communications programme which can be tailor-made for your company whether it has 50 or 5000 employees.

To mount and maintain an Export United programme, you can call on the services of BOTB. They will help you prepare themes, assist you with the preparation of material or provide free standard material - which will create awareness of the importance of exports and help you achieve specific export objectives.

BOTB can also help arrange works visits from personalities, encourage press coverage of your activities and generally help move your Export United promotion along. They will also give you details of a Williams & Glyn's Export United Travel Award which could enable you to send shop-floor representatives on foreign fact-finding missions.

For more information and a book of case histories, please complete and post the coupon now.

Export United is sponsored by the CBI, TUC, Association of British Chambers of Commerce, Institute of Export, Committee on Invisible Exports and BOTB.



"Me demonstrating a suit."

"I discovered that the Export Salesman's job is a pretty hard slog - that exports start back home", Norman Burge, Shop Floor Representative.

To: Paul Eastaugh, Export United Office, British Overseas Trade Board, 1 Victoria St, London, SW1 0ET.

Please tell me all about Export United and the services you offer.

Name _____ Position _____ Address _____

Telephone _____ FT2C EXPORT UNITED

Decline in adult unemployment masks regional contrasts

ULT UNEMPLOYMENT

been falling for four months running after the temporary hiccup at the beginning of the year caused by industrial disputes and poorer weather. Since mid-March, the UK total has dropped by 6.1 per cent, on a seasonally adjusted basis, but it has masked a widening of regional differences.

The decline in the number of work has been largest in the north, where economic activity has been most stagnant, notably in the northern half of the country. The total has declined by 7.5 per cent in the past four months in London and the south-east, by 10.1 per cent in the south-west. In contrast, unemployment has fallen by only 5.1 per cent in the north-west, where the unemployment rate is roughly a quarter higher than the national average, and by just 0.5 per cent in Scotland, where the unemployment rate is third above the national average.

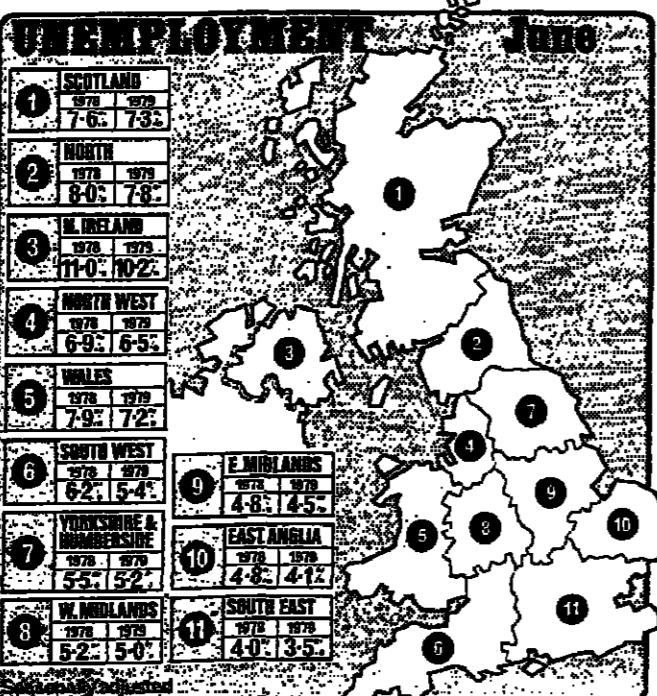


Table with 11 columns: Region, Unemployment Rate (June 1979), and Unemployment Rate (June 1978). Regions include Scotland, North, Midlands, North West, Wales, South West, Yorkshire & East Midlands, East of England, South East, and London & South East.

UK NEWS—PARLIAMENT and POLITICS

PM stresses importance of nuclear power expansion

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE IMPORTANCE of expanding the nuclear power station programme in Britain and the EEC as a long-term solution to the oil crisis was strongly emphasised by the Prime Minister in the Commons yesterday.



Mrs. Thatcher leaves No. 10 Downing Street on her way to the House for question time. She then flies to Tokyo for the economic summit.

Prime Minister passes own exam

BY PHILIP RAWSTORNE

ALL examination results should be published, Mrs. Margaret Thatcher told the Commons yesterday.

'Watchdog' select committees approved by large majority

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

PROPOSALS to set up a new system of "watchdog" select committees to scrutinise the activities of individual government departments were approved by an overwhelming majority in the Commons early yesterday.

Thatcher defends Walker efforts

BY IVOR OWEN

BRITAIN'S decision to withdraw support for the EEC Commission's proposal for a general freeze on farm prices was not part of a wider deal on the community budget, the Prime Minister assured the Commons yesterday.

ever between the negotiations in the Council of Agricultural Ministers in Luxembourg and the negotiations between EEC heads of government in Strasbourg.

MPs still oppose pay plan

By Elinor Goodman, Lobby Staff

MR. EDWARD DU CANN, leader of the Conservative Party's 1922 Committee of Backbenchers, will report back to his Executive tomorrow on a series of confidential meetings he has had over the last few days in an attempt to persuade the Government to change its mind and implement the Boyle Committee's recommendations on MPs' pay.

Liberal inquiry

By Richard Evans, Lobby Editor

LIBERAL LEADERS are resisting demands from Mr. Jack Hayward, the party's millionaire benefactor, for a full investigation into its financial accounts.

Government warns of shipbuilding cuts

BY IVOR OWEN

A STERN warning that Britain's troubled shipbuilding industry faces a big cutback was given by the Prime Minister in the Commons yesterday.

of living by raising VAT to 15 per cent and caused unemployment by cuts in public expenditure, both industrial and political issues were involved.

New cash limits announced

By David Freud

REVISED cash limits for public spending were announced yesterday in Parliament, in line with previously announced Government policy.

Callaghan's authority to be tested

BY ELINOR GOODMAN, LOBBY STAFF

INDUSTRIAL PROBLEMS at Transport House permitting today's meeting of the Labour Party's National Executive Committee could mark a major advance in the Left's long-drawn-out sloggish match with the Parliamentary leadership to change the balance of power within the party.

Advertisement for Terrapin Portable Cabins, featuring a large image of a cabin and text: 'For instant accommodation up to 600sq. feet, you can't beat Terrapin Portable Cabins.'

Advertisement for Terrapin Portable Cabins, featuring a smaller image of a cabin and text: 'Office? Canteen? Medical room? Work-room? For that immediate space - think Terrapin cabins.'

Large advertisement for Terrapin Unit Buildings, featuring a large image of a modern building and text: 'For instant accommodation over 600sq. feet, you can forget Portable Cabins.'

Advertisement for IMETAL, a French industrial holding company, featuring the company logo and text: 'A FRENCH INDUSTRIAL HOLDING COMPANY 1978 Results'.

Advertisement for Terrapin Unit Buildings, featuring a large image of a modern building and text: 'For instant accommodation over 600sq. feet, you can forget Portable Cabins.'

Handwritten signature or mark at the bottom center of the page.

IK NEWS - LABOUR

Rail union rejects talks with Tories

BY PHILIP BASSETT, LABOUR STAFF

ITAIN'S largest railway unions' power and ability to cause disruption was a bad thing. It is right that we should have influence in the nation's affairs.

He attacked the misuse of trade union power last winter, though, and placed the blame for Labour's losing the election squarely on the industrial trouble in the earlier months of this year.

Delegates voted by 48 to 29 for his argument that the political and industrial wings of the Labour movement should now work together for the eventual return of a Labour Government.

New offer to Ebbw Vale tinplate staff

BY ROBIN REEVES

THE BRITISH Steel Corporation has increased its severance pay offer to trade unions at Ebbw Vale in a bid for early agreement on further staff reductions.

WIMBLEDON

No. 12 seed Sue Barker toppled

BY JOHN BARRETT

LADIES DAY at Wimbledon yesterday produced more drama than it has done for years as the defending champion Martina Navratilova, watched by her mother who had made a secret journey from her home in Czechoslovakia, struggled on Centre Court to beat the young South African Tanya Harford 4-6 6-2 6-1.

The All-England Club had sent a personal telegram to the Czech Prime Minister Lubomir Strougal, who, according to Martina, "is a tennis fan and likes me" and Mrs. Navratilova was granted a two-week visa to watch her daughter compete at Wimbledon.

There was a dire snook for Britain on No. 2 court where Sue Barker, the No. 13 seed and second-ranked home player, went out to the 18-year-old Argentine Ivanna Madruga 6-3 4-6 9-6 in a match littered with errors.



MARTINA NAVRATILOVA opened her women's singles title defence watched by her mother, who flew in secretly from Prague

NALGO opposes 9% pay offer

Our Labour Staff

A Y rise of nine per cent by local authority employers to 500,000 white staff is almost certain to be rejected by union officials.

Peugeot plans alarm Chrysler unions

BY NICK GARNETT, LABOUR STAFF

PLANS BY Peugeot to open five component plants in France have deepened suspicions among British trade union officials about the company's intentions toward its Chrysler UK factories.

agreement with the East German Government to build a transmission plant at Zwickau-Mosel. The motion, from the Metal Mechanics Society, supported by the Association of Scientific, Technical and Managerial Staffs, says Peugeot did not consult British trade unions nor, probably, the Government in devising these arrangements.

Churches Fund helps to save 136 buildings

FIFTEEN CHURCHES came to the Redundant Churches Fund for care and preservation during 1978 bringing the number of churches or parts of churches held by the fund to 136 by the end of last year.

Churches Fund helps to save 136 buildings

FIFTEEN CHURCHES came to the Redundant Churches Fund for care and preservation during 1978 bringing the number of churches or parts of churches held by the fund to 136 by the end of last year.

Pym in France for brief talks

MR. FRANCIS PYM, Defence Secretary, makes a flying visit to Paris today for talks with M. Yvon Bourges, French Minister of Defence.

GLC stocks up with winter salt

THE GREATER London Council is to increase its emergency stockpile of salt for the city's roads by 15,000 tons.

Union doubts on Belvoir coal plan

Our Labour Staff

THE GOVERNMENT may be planning to withdraw support from the National Coal Board in its plan to sink three new deep mines in the Vale of Belvoir in Leicestershire, claimed a copy of officials' union leader yesterday.

Civil servants break off pay dispute negotiations

BY GARETH GRIFFITHS, LABOUR STAFF

THE Institution of Professional Civil Servants has broken off informal talks with the Civil Service Department over its pay dispute and asked for a meeting with Mr. Paul Channon, Minister of State.

Consultancy in merger

FINANCE for Industry has merged its management consultancy with ICFC Training to form a new company, ICFC Training and Management Consultants.

Advertisement for Burroughs '900' Series computers. The ad features a large image of a computer terminal and keyboard. Text includes: 'The new technology. Burroughs "900" Series computers give you higher performance and lower cost through advanced technology. optimum efficiency and a consistently high rate of throughput. The B 2930 and B 3950 can have up to four central processors. And they are completely software-compatible with earlier Burroughs intermediate systems. No rewriting or recompiling of existing application programs is required. And remember, when you buy any Burroughs system you get the bonus of dealing with a total capability company with 90 years experience. And the security of knowing the whole Burroughs organisation is behind you. We call it "Total System Support." Hardware, system software, application programs, customer training, system maintenance - even the business forms and supplies you need. Find out more. Phone your local Burroughs office or contact Burroughs Machines Limited, Department PRA, Heathrow House, Bath Road, Hounslow, Middlesex, England TW 5 9QL.'

Steel erectors' risk myth 'harms safety standards'

BY ALAN PIKE, LABOUR CORRESPONDENT

THE POPULAR mythology of the steel erector as a man who disregards the risks of his job has been detrimental to safety standards, the Health and Safety Executive said in a report published yesterday.

The report expresses "some disquiet" about incentive and bonus schemes for steel erectors. It says that by emphasising increased output, short cuts might be introduced at the cost of safety. "So long as bonus schemes continue, proper provision must be made in them for the full performance of safe working procedures."

FINANCIAL TIMES SURVEY

Wednesday June 27 1979

Milton Keynes

Today's visit by the Queen to the new city's Civic Offices and enormous £36m shopping centre marks the coming of age of Milton Keynes. When the shops open for business in August they will provide the focus the community has lacked — and add to the achievements of a far-sighted project in which concern for the quality of life matches the success in attracting industry.

Planners' dream comes true

Arthur Smith, Midlands Correspondent

MILTON KEYNES, for so long humorous target of cynics' sceptics, looks set to have last laugh. The planners' dream of creating a city of 200,000 people amid the green hills of Buckinghamshire is on the way to reality. At today's visit by the Queen...

the more fanciful of the new city's ideas: the £36m scheme to erect a half-mile long building housing more than 1m square feet of shops.

Work started on the scheme five years ago. The site chosen was remote then from the established population centres of Bletchley, in the south of the new city's designated area, and Wolverton in the north.

Indeed, in a world where new towns are noted for their tendency to lay claim to the biggest and best, Milton Keynes maintains that, with housing going up at the rate of 2,000 homes a year, its construction programme is one of the largest in Europe—with no problem-fraught high blocks of flats.

The shopping area, which will provide the final link in a crescent of development from Bletchley to Wolverton, has given important credibility to the new city targets. The Post Office Superannuation Fund allocated £24m to the project back in 1974, but until perhaps 18 months ago there was a distinct unease among retailers about giving full commitment.

Now the development corporation can claim total support from the private sector, pointing out that only Marks and Spencer, for which a unit of 70,000 sq ft has been reserved, has still to make a final decision. More than 100 of the 130 shop units will be operational

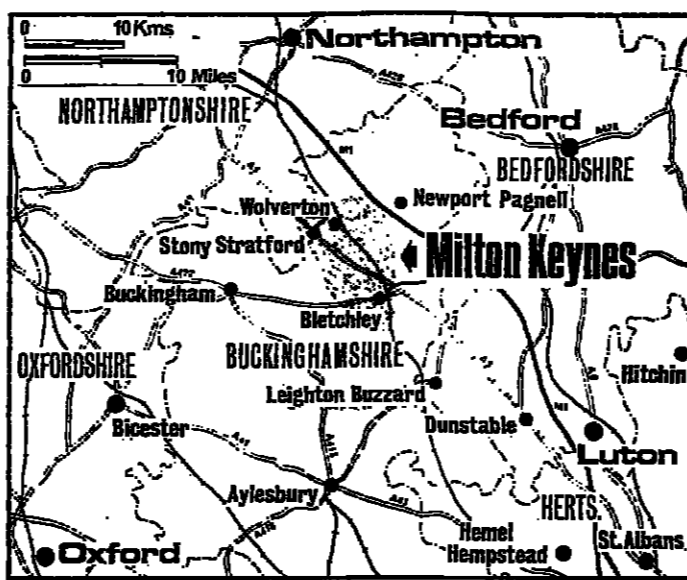
when the centre opens for business on August 9. Among those represented will be the John Lewis Partnership, C and A, Boots, British Home Stores, Woolworths, Halfords, W. H. Smith and Waitrose.

But the confidence of the development corporation is based upon more than the shopping centre. Crest Hotels, part of the Bass group, has announced plans for the 132-bedroom first phase of an hotel, complete with conference and leisure facilities. Advanced factory units are being let faster than they can be built and groundwork for a new railway station — only the second provided by British Rail in recent times — is under way, to give a faster and more direct service to London and the Midlands.

Milton Keynes over the past 12 months has gained a momentum of its own, but it was not always so. The commercial success of the enterprise owes a great deal to the drive and political influence of Lord Campbell of Eskan, the development corporation's chairman. A member of the Irish and Scottish aristocracy, educated at Eton and Oxford, and a successful businessman, he retains his commitment to the Labour Party and Socialism.

Challenge

In his days as chairman of Baker McConnell Lord Campbell not only championed the doctrine of "social responsibility" but also initiated programmes for the rehousing and



settlement of workers in the company's sugar estates in British Guyana.

Just as he was retiring from his executive position in 1966 the Labour Government was looking for someone to head the Milton Keynes project. "It seemed to offer the right challenge of administrative, social, economic and political problems that I was seeking," he says.

Milton Keynes had been designated for expansion as a "counter-magnet" to help London contend with the rapid increase in population and jobs forecast for the south-east region in the early 1960s. Its purpose was to help relocate Londoners living in bad housing

conditions and Lord Campbell declares that in this role the new city has been a success.

But with hindsight he is prepared to concede the argument that had the planners been able to foresee the economic conditions that actually applied by the time the new city machinery was set up, Milton Keynes might never have started. By the late 1960s it was clear that the jobs promised under Sir Harold Wilson's "white-hot technological revolution" would not be forthcoming. Population forecasts were also being revised downwards.

However, Lord Campbell is

passionate in his belief that, once started, the new city should not be halted. "Milton Keynes is playing an enormous role. In the short term we are building houses faster than anywhere else in Britain for people still in inadequate conditions. We are providing the jobs to match."

"In the longer term, the city's commercial success will be judged on whether it repays all Government loans and becomes a development goldmine."

Such commitment has carried the new city through the difficult periods which have followed changes of Government and economic climate. The Conservative Administration returned under Mr. Heath in June, 1970, was expected to examine the future of Milton Keynes critically alongside other prestige projects such as Concorde.

MK, to adopt the vague terminology of the planners, emerged from that review unscathed and there is a similar confidence that the programme will be unchanged by the Thatcher Administration. Lord Campbell declares that "it would be folly at this stage not to allow Milton Keynes to continue developing under its own momentum."

The arrival of a Conservative Government committed to the role of the market and a cut in State involvement raises a whole series of questions for the new towns but should, if anything, strengthen the position of Milton Keynes. Population within the designated area has more than doubled in the past 10 years to about 86,000 so that the city has now passed

the important turning point where private capital can be attracted. The shopping centre and hotel are sufficient evidence of that.

The development corporation reports that the dramatic shift from public to private investment that has occurred over the past 12 months will continue. Inevitably it was in the early stages of the partnership between the development corporation, Milton Keynes borough council and Buckinghamshire County Council that spending on roads, schools and the general infrastructure was high.

According to the latest forecast, 38 per cent of the projected £2bn total development cost for the new city will be provided by private investors.

Economies

The area where the new Government might cause problems for Milton Keynes is in any proposed public spending economies on items such as education and leisure facilities.

The city does have the advantage however that much of the basic infrastructure has already been installed—the cynics point out that Milton Keynes has always seemed to have mile upon mile of new roads cutting across green fields with the result that it would be politically embarrassing for any Government to call a halt before the factories and houses had been built.

The Government's current review of regional policy and

industrial aid must help Milton Keynes to the extent that it reduces the incentives for mobile industry to locate elsewhere. Decisions are expected before Parliament's summer recess, but the Chancellor of the Exchequer has already called for a four-month delay in the payment of regional development grants.

Options likely to be considered are increasing the threshold for grants, reducing the size of assisted areas and cutting advanced factory building by the English Industrial Estates Corporation. Any such moves to slim State involvement must benefit Milton Keynes, which can afford to trade on its natural advantages: its siting astride the north-south road and rail network, its proximity to London and the markets of the South East, and the new factories or green field sites it can offer.

Such advantages seem likely to carry the city to its original target population of 250,000 although the previous Government as part of its review of new towns and inner city areas recommended a reduced level of only 200,000 by the 1990s. The time-scale assumes more academic significance once self-perpetuating growth has been established.

Inevitably, because of its success in creating 25,000 new jobs over the past decade, Milton Keynes features in debates about regional policy. Lord Campbell rejects any criticism that the new city's growth during a period when mobile industry was strictly limited might have been at the

CONTINUED ON NEXT PAGE

IN 1976 TELEPHONE RENTALS MADE MILTON KEYNES THE BUSINESS COMMUNICATIONS CENTRE OF BRITAIN

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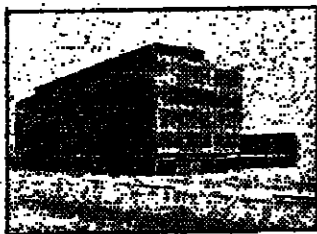
From its headquarters in Milton Keynes, Telephone Rentals administers a network of 10 regional offices with local offices spread throughout the United Kingdom, and six overseas companies in countries across the world.

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- PABX Telephone Networks, including the Private Digital Exchange (PDX) system with a loan for business.
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- Personal Paging Systems from simple "bleepers" to systems with talk-back facilities and including the new Access 80 System with many new facilities.
- Information Recording & Retrieval Systems for Attendance and Job Costing, the administration of flexible working hours routines and for monitoring production efficiency.
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Our Research Centres and programmes conduct research studies for a wide range of business organisations and on an open-ended basis. Whenever possible, findings are disseminated and applied within management.

For further information on the work of the School, please contact Continuing Studies Administration, quoting CS 305.



Cranfield School of Management

Cranfield, Bedford MK43 0AL, England
Telephone Bedford (0234) 751122
Telex 825072

MILTON KEYNES II

Big demand for factories

MOST AGENCIES trying to attract new industry would welcome the problem faced by Mr. Allen Duff, commercial director of Milton Keynes Development Corporation. Demand for factories is so great that he cannot build them quickly enough, he says. More than 100 advance factory units have been let over the past 12 months—a rate of one every 2 1/2 working days, according to the calculation of an assiduous Press office. The programme to step up provision of advance units to 1m sq ft from the 650,000 achieved last year was hit by bad weather in the early months, but a further 90 units of varying sizes are scheduled for completion this year. Leasehold sites, such as the 23 acres made available recently to Volkswagen (GB) for administration and warehouse headquarters, are also on offer. General Motors has just taken a temporary lease on office space as the first move towards occupation of a 28-acre site that will house a £10m warehouse and distribution centre for automotive components. The development will provide employment for at least 300 by next year. Mr. Duff says the demand for accommodation has really taken off over the past 12 months but the upward trend had been apparent for three years. Factors creating confidence in the new city were the opening of the shopping centre and the planned new hotel and railway station. "I think these have marked the shift from the uphill struggle to the downhill slide."

One change which Mr. Duff thinks the new Conservative Government might make would be to give development corporations the option of allowing the sale of industrial freeholds. He points out that it is important for the community, which provides the essential infrastructure, to take its share of the increased value of a site. On the other hand, the flexibility to offer a freehold deal could be important in attracting companies and future employment to the area. "There is also the need to develop a strong mixed economy," Mr. Duff argues. "There is a danger in new towns like Milton Keynes of over-municipalisation. It is important to have a proper balance between the private and the public sector."

About 23,500 new jobs have been created over the past decade to take the total employment in the new city to more than 40,000. A recent study by the development corporation suggested that little more than one in five of the new jobs were created by companies transferring to the city from outside. Almost as important was the growth of companies already resident, while 22 per cent of new employment came from enterprises actually starting up in Milton Keynes. Predictably, there was a large increase in the service sector with the growth of shopping, education, leisure and administrative facilities. The effect of the expansion programme so far has been to reduce slightly the relative importance of manufacturing industry, but opportunities for management and the professions have increased.

Construction

The city has a broad-based economy with no obvious bias towards either manufacturing or service trades. The most noticeable difference between the employment structure of Milton Keynes and that of Britain as a whole is the high number engaged in construction.

Total employment in that sector is currently around 4,800 and this can be expected to remain high for many years as the development corporation presses ahead with what it claims is one of the biggest construction programmes in Europe. Construction workers, more than half of whom do not live locally but travel in, exert an influence upon what is an interesting commuting pattern. About 13,000 workers come into Milton Keynes daily as against 7,500 who travel out. Mr. Duff says such a favourable flow was not expected so early in the expansion programme and takes it as another indication of the city's success. Milton Keynes, with an established and fast train service from Bletchley to London, acts to some extent as a dormitory area for the capital. But Mr. Duff maintains that the growing employment strength of the new city means that it is having to provide jobs not only for the newcomers but also for former commuters.



Construction of the shopping centre has greatly buoyed commercial confidence in Milton Keynes. Here Ashton House and Norfolk House, two office blocks, are under construction in the city centre

The importance of London as a source of jobs for the new city has also declined over the past five years. In total, about 1,850 jobs represent the direct transfer of companies from the capital, but this movement has now slowed to a trickle. Companies tend to come from other parts of the south-east region where, because of pressures upon land, housing and labour, expansion might be restricted. Mr. Duff argues that it is far better to provide a city such as Milton Keynes as a planned growth point rather than allow development in the South East to take place on an ad hoc basis. The city has proved attractive to foreign companies although the development corporation has done very little overseas marketing, except in North America.

About 18 U.S. firms, the latest of which is General Motors, have set up operations, while companies from countries such as Italy, Germany and Switzer-

land are also represented. Mr. Karl Guttenberg, chairman of Milton Keynes Industrial Association, which has about 120 member companies, says a good dialogue has been established with the development corporation. Because the articles of the association, a local body established some years ago, are too restrictive, businessmen are in the process of forming a chamber of commerce. Mr. Guttenberg says the support and funds are already available. Only an industrial dispute at Companies House has delayed registration of the new chamber. One of the issues raised by the association is the prospect of shortages of skilled labour—a national problem but one which could become acute in the new city with expansion proceeding so rapidly. There is a determination by local companies not to get caught up in an inflationary scramble for labour. It does mean, however, that employers must at the very least ensure that working conditions and ancillary facilities are competitive. "Wage levels in Milton Keynes are competitive and we already have the £100-a-week workers," Mr. Guttenberg says. A recent survey of local industry by the association suggested, however, that labour shortages were not a constraint on production. The association is devoting much of its energies to establishing links with the schools to establish a two-way flow of ideas on industry's needs and the level of training of young people. The range of new educational establishments, including the Open University, provides full opportunity for such co-operation. Local employers must compete for labour with established industrial centres such as Luton and Dunstable to the south, Bedford to the east, and Northampton to the north.

Arthur Smith

Commercial building in full flood

IT IS another sign of the momentum that has been created by both the private and public sectors in building the physical fabric of Milton Keynes that, in the next year to 18 months as much building will be going for offices, hotels and other property as has taken place in the past five years. The picture has never been more encouraging, and though a severe economic downturn could stretch programmes over longer time scales, it seems clear that a watershed has been reached. There have, it is true, been one or two withdrawals by the private sector from developments not directly connected with the shopping centre, but the gap has been filled without noticeable difficulty.

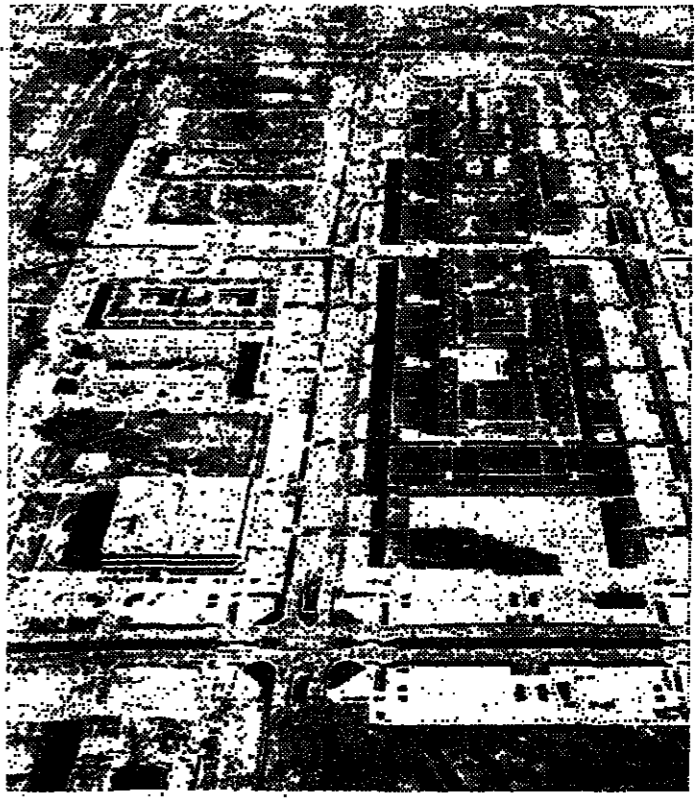
In transforming paper plans and designs into buildings the private sector has played, and continues to play, a vital part. This year more than 80 per cent of the capital programme for industrial and commercial property will be funded by the institutions. The Post Office pension fund provided the initial impetus for the magnificent shopping centre, said to be one of the two biggest under cover in Europe. It funded £24m, nearly half the total cost—an act of faith in the management of the Development Corporation as well as in the future of Milton Keynes.

There was always the possibility of the shopping centre being labelled too grandiose, too splendid, too visionary, too impractical commercially, and indeed it has still to prove its viability. It was therefore a considerable coup to capture the John Lewis Partnership for the big block at one end of the centre, for it demonstrated to others beyond peradventure that canny traders believed in the project and were willing to back their judgment in millions of pounds. Others which have followed the John Lewis Partnership are Woolworths, now acquiring a new image, Waitrose, Tesco and Boots, with space reserved for Marks and Spencer. A commitment by top names such as these has had a vitalising effect elsewhere in the property market, and not only in central areas of Milton Keynes. The new city has been built in a connected series of

neighbourhood centres each served by corner shops, so that a sense of community is generated. There has been no lack of demand for these. But Milton Keynes is not just a new town that will have a grand central shopping area, administrative and other offices and the paraphernalia of a growing population. It is a multi-centre city, with Bletchley in the south and the railway town of Wolverton and adjacent Stony Stratford in the north, all long-established centres with their own traditions. There is also a number of old villages including the village of Milton Keynes on the western side of the new centre, from which the city takes its name, but little else.

Cementing

What the new Milton Keynes is doing is to bridge these older communities, and, at any rate in terms of business and commerce, draw them together with a new-found identity. What is developing is a bigger and more magnetic and go-ahead area. What is happening at Stony Stratford to the property scene both follows general trends as well as cementing bonds with the new town area so that they are beginning to progress in a more composite manner. Stony Stratford shops used to have long gardens and orchards behind them, several of which have now been taken over and made into a car park. A majority of the shops used to be family-owned, until the families found the rates becoming too high to live above them and they began to move out. That was one of the early changes. They have been going on since, with the result that properties have been changing hands much more frequently, especially since one or two supermarkets appeared on the scene. The increase in values started three or four years ago with the increase of population in the new city, and Bletchley, temporarily, became the chief shopping centre. Vacated accommodation over the family-owned shops has been turned into offices in the established centres, with rents of £3.50 a sq ft in modern or modernised accommodation and £3 or perhaps less in older accommodation. This compares with £4.50 and £4 a sq ft in

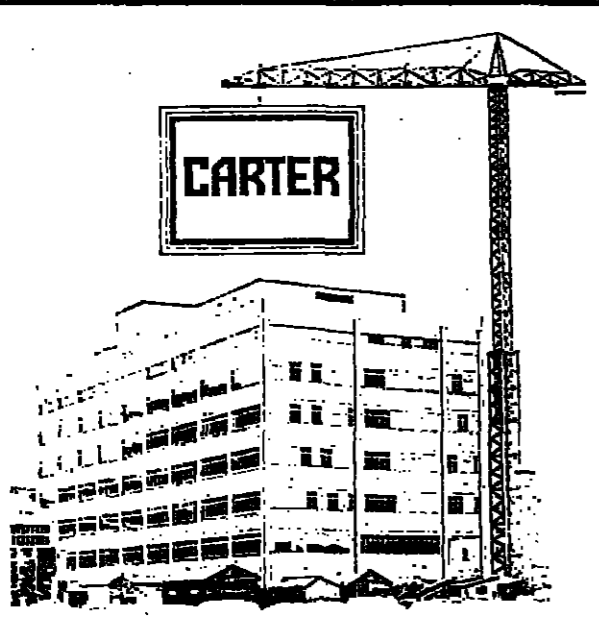


The shopping centre, above, is half a mile from end to end. The borough council's new Civic Offices are adjacent at the lower left

Dream

expense of London and the assisted areas. He points out that only about 1,850 jobs represent direct moves from London and that such a safety valve is essential if redevelopment of the inner city areas is to take place. Milton Keynes is seen as one of the planned growth points in the expansion that inevitably will take place within the prosperous South-East region. "Of course, it is arguable that new towns to some extent impeded development in the assisted areas, but the difficulty has always been that no amount of economic incentives have countered the attraction of the South East. In my previous career, in Africa and the West Indies, there were some places people wanted to work and live. Milton Keynes is such a place." Lord Campbell also stresses the importance to Britain of providing industry with modern facilities where it is possible not only to achieve high productivity but also to enjoy a good working environment. The new city has been successful in attracting high-technology industries and a number of companies from overseas, particularly from the U.S. "All you can do in a job of this sort is to set a style. I think we have done this with the high standard of building and environment we have demanded. I am confident this quality will give Milton Keynes a character and a soul of its own." But does the mounting petrol shortage pose a threat to a new city modelled around an ambitious grid system of roads? "We are being affected more than if we had built at a higher density but I am unrepentant. People want to get the best out of the town and countryside." Employment areas were now being built closer to housing, more corner shops were being provided and efforts were under way to improve public transport. Opportunities for cycling and walking were also much greater than in the conventional city. Lord Campbell, after more than 12 years in the hot seat as chairman of Britain's most controversial new town, has lost none of his enthusiasm for the venture. He sees the project as one of the nation's important achievements. "I don't know what the future holds for Britain, but if anything succeeds it will be Milton Keynes. I do not say that we won't have our share of problems. But that is true of all things. That is life."

Peter Cartwright

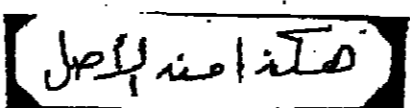


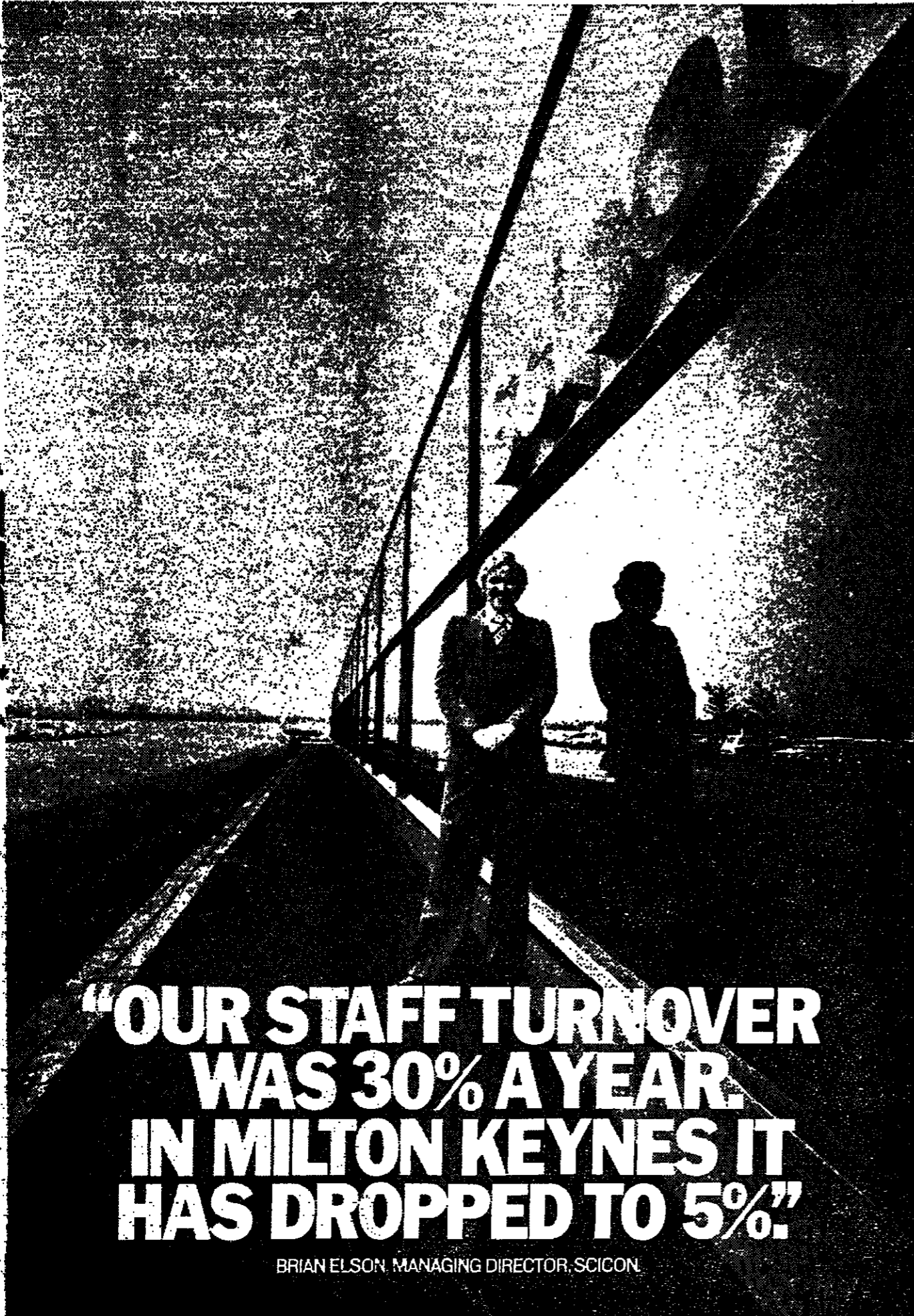
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MILTON KEYNES VI

Homes programme starts to accelerate

THE PROGRAMME of home building in Milton Keynes is beginning to roll faster. The development corporation no longer has to cajole or pressure nervous developers. A decade of investment pump priming is being rewarded and today the pressure to build is coming from waiting lists for private homes.

"Demand is strong across the range of houses," a confident Mr. Brian Brookman, manager of the private housing unit, asserts. "And there is an increasing demand for the more expensive homes, a few of which cost up to £75,000."

Confidence

The demand for homes is strong across the range of houses, a confident Mr. Brian Brookman, manager of the private housing unit, asserts. "And there is an increasing demand for the more expensive homes, a few of which cost up to £75,000."

Taken in conjunction with the substantial waiting lists for homes for sale on the 14 building sites, it seems clear that the development corporation and developers can look forward to a fairly steady expansion from the current 86,000 population to twice that in the early 1990s as planned without the need for very much, if any, extra stimulation.

It was always anticipated that natural growth would take over at 150,000 population — 200,000 more pessimistically — but now it appears that this process has started already. And with the infrastructure making steady progress this can be expected to continue.

The larger demand for houses for sale also suggests that balance between homes for rent and those for sale will be struck perhaps sooner than seemed likely not so long ago. The ideal mix, the corporation believes, is half for rent and half for sale. At present the mix is 60-40 per cent in favour of rented accommodation. There are 50 completed developments of 10,000 rented homes and another 3,400 are being built on 23 developments.

They must have been in occupation for at least four years and that the homes would be sold at a discount of 33 per cent on current market values, with the proviso that the minimum price must meet the costs.

The new Conservative government allows new town corporations to relax the rules substantially. Homes can now be sold at market values less discounts even if they are less than cost. There is an immediately available 30 per cent discount even if the occupier has been there less than three years. And if he has been there for three years the discount is 33 per cent, with a further 1 per cent discount for each extra year.

Nevertheles, although there had necessarily to be a heavy emphasis on accommodation to rent, the corporation, encouraged by the Environment Department, built to designs and standards — especially as regards spacing — which in the years to come would be attractive to people who wished to buy.

This lack of variety and other deficiencies during the period in which the new town was just starting up are admitted. The greater variety in types of building, layouts and the general mix that have been introduced since are a recognition that there have been lessons to learn.

But if some elevated roads provide a bleak view of roofs—and from some angles an apparent half-mile of terraced houses—what is it like for those who live there?

Like the shopping centre itself, much of Milton Keynes is much nicer from the inside looking out. This is changing as a greater degree of variety and character become evident, and this will happen at an increasing pace.

In the year to the end of March the number of completions was on target at 400, and would have been higher but for the appalling weather. This year 700 homes should be completed and there is no reason to doubt that 1980-81 will produce 1,200 and the year after that 1,500.

There are 21 schemes currently under construction to provide 1,575 houses, of which 730 have been completed so far. Another 18 schemes have been agreed and will in time add another 704 homes.

More and more schemes are being agreed with the volume house builders' study group (of seven of the largest builders in the country). Milton Keynes is in the up and up. P.C.



The city is aiming for a good mix of private and rented accommodation. These are some of the rented homes of North Hill.

Leisure one of the main priorities

IF EVER a city has been designed with leisure as a priority it must be Milton Keynes. For the development corporation and borough council's ambitious planning for the spare time of the eventual 200,000-plus population, and the visitors they want to attract, is one of the reasons architects and other professionals visit from all over the world.

The city's underlying theme of leisure is reflected almost everywhere that so far has been built on, landscaped or simply left alone. It is intended to be a place to explore and enjoy; where simply getting about, especially by bicycle or on foot, can be a pleasure in itself.

Everything, it seems, has been thought of. The two borough council leisure centres with their theatres and excellent facilities for many kinds of sport, to international level, have been open for some time. A sports stadium is to be built: one of two equestrian centres is to be developed when funding and policy can be agreed; and the city has a new museum and its second artist-in-residence, thanks to an Arts Council Fellowship.



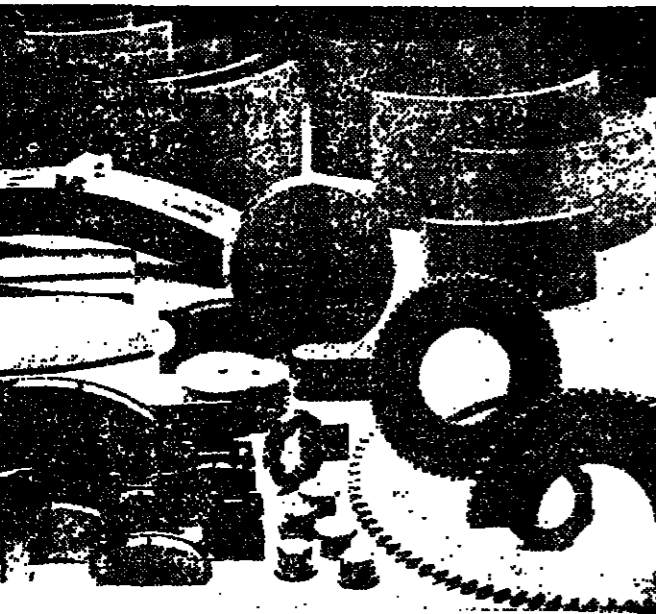
Bothers in the pool at Bleckley Leisure Centre: one of two built as an integral part of the Milton Keynes philosophy that play is as important as work. Each has a theatre and extensive facilities for sport.

And for those who tend to watch TV or go to a pub, can take some getting used to the idea of using a nearby community workshop, where you can do photography, pottery and other activities for 20p a session plus the cost of the materials.

Both the corporation and the council have a keen nose for what people like. The world Kendo championships have been held at Milton Keynes; so has TV squash, international boxing and table tennis.

The development of Central Milton Keynes will both solve the distance problem and bring many more activities to the city. Granada Theatre is negotiating with the corporation to build a big leisure complex right by the shopping centre to include cinemas, bingo, restaurants, a night club, amusements and more shops.

The corporation, in its promotional literature, is already laying claim to the title City of the Future. Once most of the attractions are there it might also merit the name City of Leisure.



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Bonus

There are adventure playgrounds for children, wildlife conservation schemes, and a noisy sports area (for model aircraft, pistol shooting and so on) sandwiched between the new A5 link road and the railway where they will give least offence.

Lakes have been created as amenities, with fishing sailing and waterskiing, as a bonus from dealing with the city's water run-off from buildings and roads.

tories and roads, the city has on its doorstep, or is providing, many unusual amenities which you would not find all together in any other area. And, of course, they cannot help but attract companies to move to Milton Keynes, and people to live there.

Abbey, Stratford-on-Avon and many other places for outings. The two men who co-ordinate the huge range of projects are Mr. Brian Salter, 39, Recreation Unit manager at the development corporation and Mr. Peter Jones, 52, Director of Recreation at the borough council.

Range Mr. Salter says: "Fourteen million people can reach Milton Keynes in an hour and a half by car. We would like to provide facilities here to make it a regional resort so that people will be attracted into the city."

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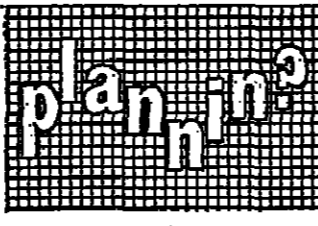
Novel approach to technology export

DAVID FISHLICK, SCIENCE EDITOR

UPON a time (about ten years ago) American scientists and engineers... a group of British businessmen is trying to get to grips with underlying problems in western technology...

"PLANNING is just a waste of time nowadays—especially so-called strategic planning. In today's world there's no point looking further forward than a one or two-year budget... That in a nutshell, is the sort of controversy—sometimes fierce, always confused—which now occurs almost weekly at the Davos symposia, fora, seminars and meetings across Europe...

Christopher Lorenz launches a series of articles on planning



Corporate strategy in an age of uncertainty

Since the 1973 oil crisis, as these imponderables have multiplied, each one compounding the last, company managements have responded in different ways to the fundamental question of how to control the future of their businesses... form of planning which suits it best is necessarily confused by jargon: not so much the very fact that specialised terminology is used to describe concepts or techniques, but that there are no generally accepted meanings for each piece of jargon: words like "goals," "objectives," "strategies," "corporate" and "operational," and even apparently simple terms like "budget," "forecast" and "plan."

the failure of many of the planning systems which were introduced in the Sixties under the influence of the "scientific management" lobby. It will argue that the problems were more deep-seated than is often suggested.

The series will then discuss, in general terms, how the effects of these past mistakes can be overcome, and how, in an uncertain world, realistic long-term plans can be effectively formulated and implemented. Several new planning "tools" will also be described, as will the differing approaches to planning of leading companies in Britain, Continental Europe and the U.S., starting (below) with General Electric.

Foundations

How this expertise can come together to provide a technology package tailored precisely to the needs of a particular developing nation is best illustrated perhaps by the idea of the National Industrial Technology Centre... For Britain, with its long tradition of industrial standards founded with the help of such old-established research centres as the National Physical Laboratory... Nigeria irony

OVER THE last eight years General Electric of the U.S. has developed and installed a strategic planning system which, more than any other on either side of the Atlantic, has served as a model for companies in all walks of business... It was an extremely painful process in the late 'sixties which prompted the world's leading electrical engineering group to improve its planning—the opposite reaction to many paniced-stricken managements at the same time and since, who resigned from one short-term crisis to another.

General Electric's painful re-think

commercial aircraft engine business, a "suicidal" price battle with Rolls-Royce had "deferred profits for a number of years." A three-month strike—the worst in 15 years—had strengthened competition... "One of the major dangers in the complex planning cycle of a multi-business company is that attention can be diffused," says Allen. "Far more issues are raised than can ever be resolved; and many more questions are asked than there is time to answer well."

processors on many of our electro-mechanical component and equipment products. "Every business plan that year had to consider the opportunities that microprocessors offered the business and the competitive threats they posed... 1977—INNOVATION. The concern of GE's chairman "had been fuelled by a number of competitive product innovations that could have been made by our own businesses—the microwave oven, the EMV brain scanner, the food processor."

concerned "the flood of foreign competitive investment—principally Japanese and European—into the U.S. market. Each business examined its relative vulnerability to attack, and the various offensive and defensive options." As Allen says, each of these competitive threats is both important and pervasive (throughout a wide range of businesses). One of the many instructive facets of his article is its demonstration that GE has begun getting to grips with new challenges—such as microprocessors and innovation—much earlier than many of its competitors, especially those outside the United States.

BUSINESS PROBLEMS

Grazing land

I understand there is a way of leasing land which avoids the problems of the tenant having the rights to continue after, say, a two year period. Can this be done? You would need to let the land for grazing or mowing only, for a period which is less than one year. Thus a letting for such purposes for 364 days is appropriate.

Nominee shares

I formed the X Pension Trust into a company in order to pay pensions to a number of former employees. Is it a fact that this company may not agree to accept cash with which to purchase as nominee shares to be held in the name of the company as nominees with the assent of the directors? The company will only be able to act as you propose if its Memorandum of Association (not Articles) empowers it to do so. The name of the company suggests that the Memorandum will not contain such a power, but perusal of the document will show whether that is so.

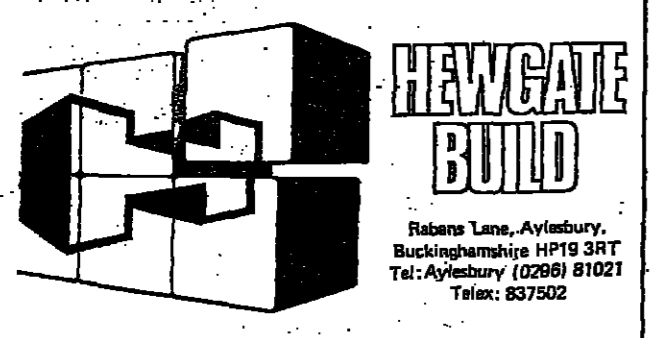
BY OUR LEGAL STAFF

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Company Secretary's Review

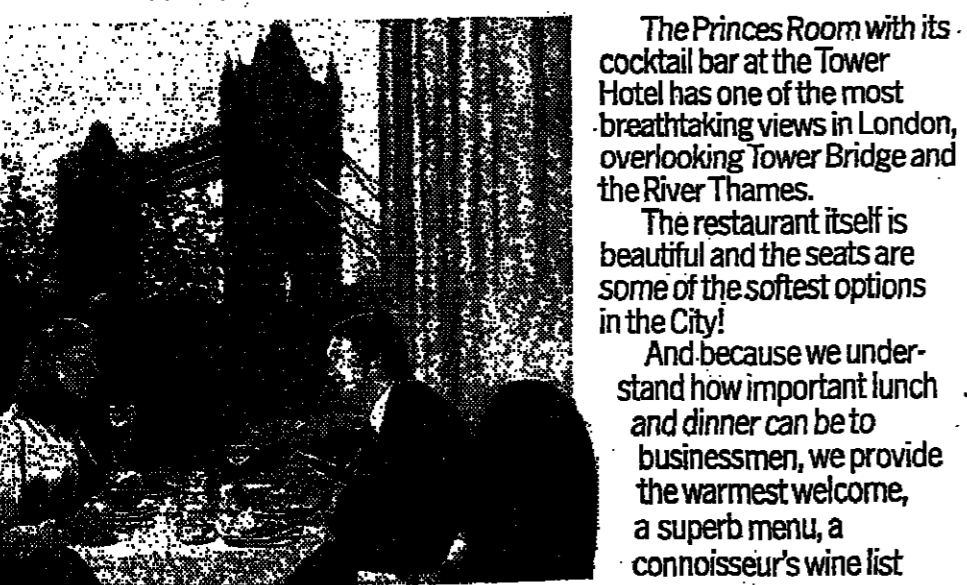
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Advertisement for Highbury Corner Contracts car leasing. Text: "CAR LEASING Cost saving and fast service from Highbury Contracts. You probably know all about the tax advantages offered, and the releasing of capital for business investment." Includes image of a car and a form for requesting more information.

THE ARTS

Truth in the hypothetical by CHRIS DUNKLEY



Dionne Warwick

by ANTHONY THORNCROFT

For three years of semi-famous Dionne Warwick is making records, and touring UK to give them a nudge...

Warwick is tall, elegant and with a fine, rather sultry voice. She looks like a movie star in her white leggy dress...

The Three Musketeers!

by MICHAEL COVENEY

Should always be a good idea to see a play in the foyer and in the programme that will probably be one of the best...

Conductor appointed Edward Downes is to be the next principal conductor of the BBC Northern Symphony Orchestra...

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Television

Last week's column complained that television tends to suck into its maw matters which have always been considered fairly serious and regurgitate them as frothy light entertainment...

Granada's fresh batch of State Of The Nation prove that it really is still possible to find new ways of fulfilling the television producer's dream of reaching comparatively big audiences with informative and even (in the very best sense) educational material...

Transmitting the six-part series at the dead hour of noon on Sunday no doubt ensures that viewing figures remain lower than they might, but that is presumably not the fault of producer Brian Lapping or his team...

They have been using the title State Of The Nation on and off since 1986 and have employed various techniques under that umbrella: Roger Graef did one of his 'on-the-wall' films about the drafting of a parliamentary Bill...

Spitalfields Festival The 250th anniversary of Christ Church, Spitalfields is not only celebrating the revitalisation of Hawksmoor's architectural masterpiece...

Conductor appointed Edward Downes is to be the next principal conductor of the BBC Northern Symphony Orchestra...

Aldeburgh Festival

A few Matings highlights from the second full week. This year's Publisher's Choice concert fell to the Oxford University Press and covered two groups from The Oxford Book of English Madrigals...

Developed at Harvard Law School it involves the arguing and to some extent acting out of a hypothetical case by a number of people who might genuinely be involved in such a scenario...

The first two programmes, on privacy and on whether journalists would or should break the law, in the public interest, proved that because of the purely theoretical nature of the exercise a hypothesis can occasionally be pursued to an absurd end...

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ponding to the convention in the hypothetical where they are asked what their imagined reaction would be in certain imaginary circumstances...

The most unexpected qualities which the format brings with it are drama and comedy. Thanks to the moderator continually setting up dialogues either between two of the 15 or so participants seated around a horseshoe table...

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of ITN, Hugo Young, political editor of the Sunday Times, and others agonised over whether to help the police (hypothetically) and thus ruin the source of information or not...

They are at their strongest when the hypothesis is strongest and most convincing, and they seem to be handled best by men with legal training and dramatic flair. The session moderated by Paul Sieghart who practised at the London bar for 13 years was certainly the most enthralling of last weekend's, for instance, taking as it did a hypothesis...

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starting with a reporter on the Financial Telegraph discovering a confidential ministerial memorandum in a West End restaurant...

It points out that there are eight BBC regional television stations in England responsible for producing daily 25-minute programmes of news and regional current affairs, and an extra half hour weekly programme each, but that London and the south east—biggest of all the regions with 17m people...

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—has to make do with the first half of National Geographic. And by analysing National Geographic during four recent weeks they have shown that even that half programme devotes only one third of its items to local regional matters...

The report also complains that the BBC has nothing to match ITV's south-west current affairs series, a claim which seems quite impossible to deny. Anyone who has seen IWT's excellent London Programme regularly, or who watched the first in a new series of Thames Report last week with its cautionary tale about the likelihood of London being selected with the Olympic Games, must have wondered why the BBC does not appear even to attempt anything to match or to compete...

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Frank talkers—an "uncharacteristically chicken" Paul Foot, left, and a comic Derek Jameson, right, with Richard Francis in between.

Covent Garden

Söderström/Ashkenazy

by DAVID MURRAY

Sunday's Celebrity Concert offered Elisabeth Söderström with a score of songs and Vladimir Ashkenazy as her accompanist. They make an attractive partnership, though given the short programme one could not stifle a regret that Ashkenazy contributed nothing...

It is a smooth, cool, attractive piece, 20 minutes long; the title and the story apart (the text is sung in Japanese), there is no perceptible "Japanese flavour". The manner is precise, detached; the voice alone takes up the tale first, a long wide-ranging melisma, seemingly taken in a single breath; the rest unfolds punctuated, encouraged, soothed, and once entirely dominated by instruments...

Population Concern Nobody wants to give birth to a baby who is going to die. Yet worldwide one baby in ten dies before the age of one. Not a statistic—a baby. A baby who never had a chance...

how to make them tell brilliantly without for a moment covering his partner's light soprano. Besides, the comfortable melancholy of Rakhmaninov's most familiar vein there are other moods which Miss Söderström fixed precisely in colour and phrasing. "Here all is well" was rapidly suspended, and in a last song about floating, enchanted laughter she was no less delicately suggestive than Ashkenazy in the shimmering postlude. This group was preceded by four shapely Chaikovski songs, including a soberly moving "None but the lonely case" for the range and depth of his songs. The piano parts are of course virtuosic as often as not, and Ashkenazy knows her Schumann and Strauss from...

Earlier Miss Söderström had, it seemed, deliberately chosen her Schumann and Strauss from their stores of faintly precious miniatures—"Der Nussbaum", "Märlin Wurmchen", "Schlagendes Herzein", there more mocking than infectious). Ashkenazy kept the accompaniment small and silvery, and the singer imparted the suns on a barely supported thread of tone. Apart from the rarely heard "Gib mir deinen Sturm und Regen" of Strauss there were interesting novelties—two in Danish, one in Shelley's English—by Delius. Intensely romantic, and betraying some discomfort with the constraining minutes of the song form. Little of all this was matched to the scale of the Royal Opera, but the artists sustained it by sheer force of personality.

Population Concern In the 30 seconds it has taken you to read this appeal there has been 70 more births than deaths in the world. Read the facts in our World Population Report. Available from the above address. Population Concern Sponsored by the Family Planning Association (RSC Charity No. 25291) to raise funds for family planning programmes throughout the world.

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BANKERS ORDER Form with fields for name, address, and signature.

Markets

UK COMPANY NEWS

Good second half lifts LCP to record £6.1m

Second-half profits... LCP Holdings finished...

Net asset value is given as £22.36m... The trading estates at Pen-

Table with financial data for LCP, including turnover, construction, and profit before tax.

Little change at Trident TV

DUE to an increased contribution from activities outside television, Trident Television was able to hold pre-tax profits at around £4.8m...

BOARD MEETINGS

- Interim: Blundell, Paragon, Calder... Today: Macdonald Martin Distillers...

Miltspur profit expands 40% and borrowings cut £3.1m

THE bad weather and industrial unrest this winter... Miltspur profit expands 40%...

recovery the rate of profit growth at Maxwell Joseph's other company... Miltspur profit expands 40%...

Stanley Gibbons International... now part of the Letraset International group...

Derritron second half pick up

AFTER being marginally down from £312,000 to £300,000 at mid-way, pre-tax profits of Derritron finished 1978 ahead from £845,000 to £702,000.

Avana profit tops £3.5m: paying more

FOLLOWING the 83 per cent rise to £1.41m in the first six months, Avana Group, a major cake supplier to Marks and Spencer...

the group is now in a position to expand production significantly. Two factories will be opened in the next fortnight...

Helene of London set for record

SHAREHOLDERS IN Helene of London were told at the AGM by Mr. Montague Burkeman, chairman, that the company is heading for another year of record profits...

Equity Consort up to £0.31m

After tax of £170,250, compared with £153,408, the net revenue of Equity Consort Investment rose from £381,253 to £311,112 in the year to April 30, 1979.

Halma over £1m—doubles dividend and plans scrip

BY ACHIEVING a near £179,000 advance in second half taxable earnings Halma, as forecast in January, lifted total profit for the year to March 31, 1979, from £843,696 to a record £1.13m.

Today's company meetings

British Home Stores, 129-137 Marylebone Road, NW, 11.30. Chesterfield Properties, 1 Avery Row, W. 11. De Vere, Connaught Rooms, W.C. 12. Ecclesiastical Insurance Beaufort House, Brunelwick Road, Gloucester, 1.45. Lee Cooper, The Inn on the Park Hotel, W. 12. Lilleshall, St. George's, Telford, Salop, 12. Atlantic Investment Trust 91 Waterloo Road, SE. 12. Tootal, 56 Oxford Street, Manchester. 3. Trust Union, Winchester House 77 London Wall, EC. 2.30.

some material facts about Tootal...



Tootal is much more than a leading brand name. The Group controls over 150 manufacturing units involved in all aspects of textiles from spinning in Lancashire to retailing in New York.

Famous in the UK for such products as Syko and Star sewing threads, Osman sheets and towels, Tootal fabrics and menswear, Slimma separates and Van Allan shops, the Tootal Group operates in five continents and is still expanding. Recent acquisitions are Ups 'n Downs - a chain of fashion shops in America; and Bradmill - now the largest textile company in Australia.

Table showing results for the year ended 31st January 1979, with columns for 1979 and 1978, and rows for sales, profit before taxation, earnings on ordinary share capital, earnings per ordinary share, and dividends per ordinary share.

Post this coupon to the Secretary, Tootal Limited, 56 Oxford Street, Manchester M60 1HJ, for a copy of our 1978/79 Report and Accounts.

Form with fields for name and address, intended for a coupon to request a report.

part of the fabric of life... TOOTAL

UBM Group Limited advertisement with large logo, tagline 'part of the fabric of life...', and list of services: Builders Merchants, Motor Dealers, Glass Merchants, Scaffolding Contractors, Overseas Merchants.

Property Holding & Investment Trust Limited advertisement, highlighting revenue before taxation of £2.24 million and a 40% increase in net income.

Blockleys Limited advertisement, stating 'Improvement in trade anticipated following continuing modernisation programme' and listing various company details.

WHITBREAD

AND COMPANY LIMITED

A year of good progress

The chairman's report for the year ended March 3, 1979

EARLY every Annual Statement about the brewing industry talks about the weather, and also the economic climate. Last year, the summer until September was poor but we had a long warm autumn which, combining with an increase of money in people's pockets, because wages generally were above the rate of inflation, meant that we had favourable trading conditions. This was followed in January and February by the long hard winter of the transport strike and bad weather, to which the Company responded magnificently — as Whitbreads always do in a crisis.



Charles Tabor

Profits before taxation and extraordinary items were 24.9% up, and although the second half showed a slowing down of profit compared with the first half, this was largely due to the fact that we did not increase our prices during the year, and unavoidable inflationary costs diminished our margins by the end of the year.

We can be pleased with these results, for they were achieved, amongst other reasons, by a marked improvement in industrial relations. Our record of unofficial stoppages dropped dramatically last year, and we were able to provide our customers with a much better

service as well as competitively priced first-class products.

Beer Sales Success

Despite the poor summer, lager returned to pre-1977 growth levels and now accounts for 30% of our market. Strong sales of Whitbread Trophy Bitter encouraged us, and the continuing success of Marlow Bitter, Pompey Royal and some further local beers which have been launched, such as Welsh Bitter and Tusker in Kent, gives us confidence that our local company plans are soundly based for further penetration of the market.

Success of our two main lagers, Heineken and Stella Artois, continued. We have now added to these with a launch of ancillary lager brands in Heldenbräu, a low carbohydrate lager on draught, and in 16 oz. cans largely for the take-home trade, and Royal Kaltenberg lager which we developed with the Royal Bavarian Brewery, and is available on draught and as a Diät Pils in bottle.

The improved trend in sales which I mentioned last year in Gold Label, English Ale and our speciality beers has also continued, and Mackeson maintained its position as the leading brand in the sweet stout market.

On the retail side of our business, we were helped by improved profits from Beefeater Restaurants in the South East, Trophy Taverns in the West Country and Duttons Grill Rooms in the North.

Long John Progress

Good progress has been maintained both at home and overseas for the main Long John brand, as also for our malt whiskies, Laphroig and Tormore, whilst Plymouth Gin has shown continued growth in the home market. We are pleased with, and proud of, our investment in Long John International.

Unfortunately, our export performance in the last months of our financial year was marred by the transport strike, which prevented our getting whisky shipments into the docks and away on time to our overseas customers.

Highland Distillers of California

Towards the end of the year, at the invitation of the family owners of the business, we acquired a controlling interest in the Highland Distillers Corporation of California. This company owns the fast-growing Scoresby Rare Scotch Whisky, the leading brand of Scotch in California and other Western States of America, for which Long John International supplies the blend from its distilleries in Scotland.

This acquisition meets the three objectives of increasing our export sales, of securing supply to an increasingly important whisky customer, and of giving Long John International a significant investment opportunity in the U.S.A. in line with Whitbread's policy of overseas diversification. We have high hopes for Scoresby's future.



OUR RESULTS

Year to March 3, 1979

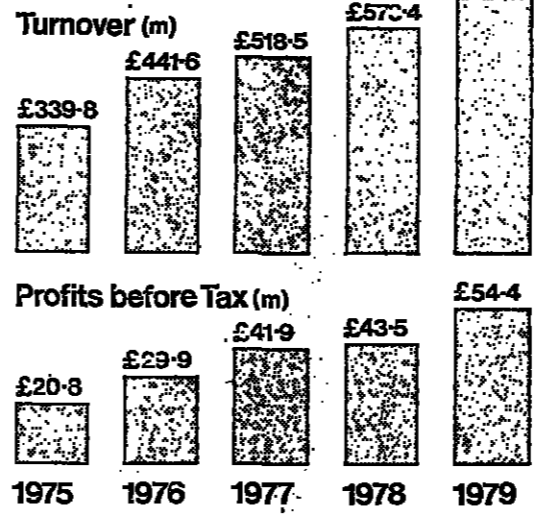
£000's	53 weeks to 3/3/1979	52 weeks to 25/2/1978	UP
Turnover	659,886	573,369	+15%
Profit before Taxation	54,350	43,518	+24.9%
Current Taxation	9,525	6,786	+40.4%
Ordinary Dividends	10,954	8,948	+22.4%
Retained in the Business	35,072	28,921	+21.3%
Earnings per share (basic)	19.48p	16.13p	+20.8%

Well done!

I would like to pay tribute once again to our retailers and also to all the people in our Company who have made these results possible. They have all done well and shown once again that they can rise to an occasion in times of trouble. I count myself lucky to be supported by such a great team in Whitbread and Company.

I have enclosed with our Report a copy of the Report to the Employees of Whitbread and also a booklet called *This is Whitbread*.

FIVE YEAR RECORD



Production and Quality Control

Following several years of extensive development work, it has been possible to introduce into our newest breweries techniques which have increased substantially the productivity of the plants and, at the same time, have enhanced the keeping quality of the beer.

Overall, I believe the quality of our finished products has never been better, thanks to concentrated and dedicated attention to detail by all our people. The measure of their success is the esteem in which our products are held by the public.

The British Pub and Competition

It is a fact that the licensing law under which our brewing industry trades restricts to some extent the granting of licences but, as a result, this country is saved from the social disadvantages that a proliferation of licensed outlets could cause.

Over the years, the brewing industry would argue that their ownership of pubs has been beneficial to the public, in that not only has it preserved the pub itself but it has provided the customer with a cheaper pint of draught beer from the distribution advantage of this system. It has also kept in being some 80 independent brewing companies with their local types of beer, over 1,200 at the last count — a far larger number of breweries and brands than in most countries.

The interchange of houses agreed with the last Government should, over the next five years, and aided by a natural swing to a smaller number of brewer-owned houses, remove any undue concentrations of ownership in a local area of more than 100,000 population.

The Monopolies Commission, in 1969, investigated the industry thoroughly from the point of view of competition, and since then the problem seems to have been that, on almost every occasion when the brewing industry has sought to put up its prices, some brewers have been subjected to investigation, theoretically on the question of price, but in practice on the question of competition, despite the fact that beer prices have kept behind inflation rates. After all the recent investigations by various Government bodies, I hope the system that has produced the British pub, which is unique in the world, and also our draught beer, which is also virtually unique, will be allowed to continue without further interference.

THE PRICE COMMISSION

If you will already know from Press comments that the Company has recently been under investigation by the Commission, and I do not intend to burden you with any details. However, I equally feel you will expect a report on the loss of profits of approximately £5m which accrued between the 7th March and the 10th May this year to the hands of the Price Commission, and I think it should be made on behalf of the Company.

History of the investigation is briefly as follows. In early 1978, we applied for a price increase, having duly held our prices for previous twelve months, as the majority of our customers had done. For reasons that have been made clear to us, and Bass were referred to an investigation and prices were frozen, whilst the restaurant was placed on a majority of our customers.

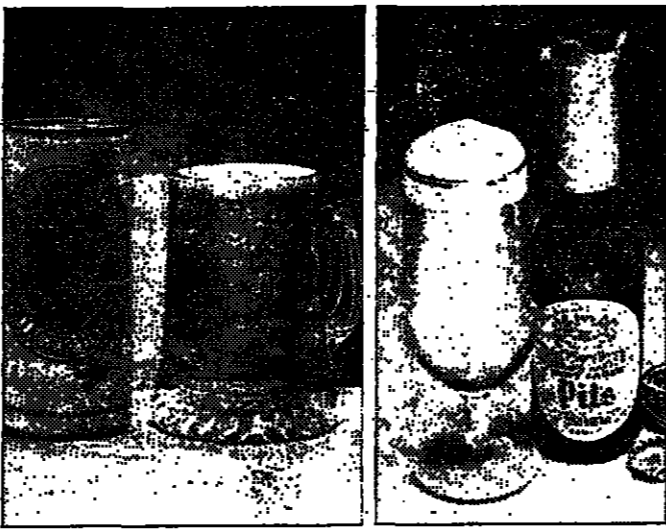
From the British judicial system, a Commission that did not have to give intelligible reasons for its decision, against which there was no meaningful right of appeal, and no apparent redress at law except possibly in the most extreme cases. A company under investigation was debarred from putting its own case to the full Commission, nor had it any voice in the selection of those who were to judge its business, very few of whom had significant commercial experience.

No fair reason

The Report of the Commission contains one or two minor criticisms of the business, of which we were already aware, and which were being tackled, but can in no way add up to grounds for so heavy a fine. The Report implies that in some way the £5m penalty was justified because of the financial policy of this Company in making loans to Free Trade customers. Such policy is common practice throughout the brewing industry, and I can, therefore, see no fair reason why your Company should be singled out on these grounds.

At the time of writing this Report, we believe it is the intention of the Government to abolish the Price Commission. It should be remembered that Whitbread, along with many other companies, had to submit to the Commission large quantities of highly confidential information, and we regard it as of paramount importance that such information be either destroyed or returned to us.

The abolition of the Price Commission may be a great relief at this time but experience suggests that mechanisms of government of one sort or another have a nasty habit of repeating themselves, perhaps in a slightly different guise. I believe that our recent experience should teach us to watch carefully that, in future, commerce and industry guard their lines constantly, in fair weather and foul, to try to ensure that we achieve the sort of legislative climate in which we can prosper and grow as a responsible company in the private sector of industry.



TWO NEW PRODUCTS ARE LAUNCHED

I have mentioned Heldenbräu and Kaltenberg, the new lagers which the Company launched in June this year, and we believe the development of new products in all sectors of the Company's business will become increasingly important in the future. What pleases me so much about Heldenbräu and Kaltenberg is that they taste so good and are really well-balanced products, and I believe there should be a good chance of a great consumer demand for them.

Growth potential for Langenbach

Our German wine subsidiary, Langenbach, has had a good year financially, with increases in trade in the domestic German market and in the U.K. but a slowing down in the United States and some secondary markets, to some extent due to the strength of the Deutschmark. We believe, however, that there is considerable growth potential for Langenbach's excellent wines in both home and overseas markets — in particular, the United States — and we have embarked on a major investment programme at Worms to renew and expand our production facilities there.

Beer Export and Licensing

Although financial results in Belgium last year showed a marked improvement as a result of the completion of a programme of rationalisation and reorganisation, the trading environment generally was a difficult one, with premium beers feeling the effect of the general economic situation.

During the year, we have considerably altered the nature of our export operation to the United States by closing down our own import company, Bedford Importers, and appointing All Brand Importers — now a subsidiary of Standard Brands — as our agents for Whitbread Ale and Mackeson Stout and for repackaging our products.

We have every confidence that All Brand Importers, who already carry a prestige range of imported beers from other countries, will do a very good job for Whitbread and Mackeson.

On the licensing front, too,

THE FUTURE

Obviously the setback of £5m off our profit budget (to which I refer in my comments on the Price Commission) is a very big handicap but we have decided, nonetheless, to go flat out for our original budgets. Despite this financial penalty, and to demonstrate our confidence in the future, we plan to invest approximately £230m in total over the next three years in public houses, catering and production facilities.

We have had some unofficial industrial action this year but I believe there is a general and increasing understanding by the people of Whitbreads that if we stick to our agreements and serve the customer, that is the best way to achieve our individual aspirations as well as ensuring commercial success.

We are in business to serve our customers. It is only through the Company's success in the market place that our jobs are made secure.

I hope, therefore, that by the end of the full year, we may have partly recovered the position, although an increase in V.A.T. and the duty would probably mean a difficult half-year's trading. However, long term, if this country is to

become more prosperous, and individuals have more money in their pockets to spend as they choose, I am confident our future as traders in pubs, clubs, eating and drinking out and at home must be good. We should also be able to encourage and take advantage of the tourist trade in this country.

I know the Company has accepted the challenge of the coming year and will do its utmost to succeed — free this time, I hope, from Government interference and penalties that have frustrated us so much in the past year. I am always an optimist for the future of this country and its development. I am also confident and optimistic for the future of Whitbread and Company.

CHISWELL STREET DEVELOPMENT



Stables for the famous Whitbread Shire horses will be part of the attraction of the redevelopment of Chiswell Street.

I am pleased to report that attendance at the Overlord Embroidery has already increased to over 1,000 a week.

The whole development is progressing, and one of the office blocks on the south side is approaching the topping out stage. The retained buildings will house our offices in the centre, and with the attendant attractions of our stables, horses, the Overlord Embroidery, shops and supermarket, as well as 140 flats for Islington Council and the squash and gymnasium complex on the north side, the Brewery site at

Chiswell Street will once more come alive and be playing its part in this great capital of London.

On the south side of Chiswell Street, the old Porter Tun Room is now completed, to provide banqueting and conference facilities in this unique setting. We have a healthy order book for use of the premises in its first half-year of operation, and a very encouraging volume of enquiries for the future. It is a fitting and unique use of our historic room where, in the past, 90% of Whitbread's beer was fermented.

New Magor Brewery

We have suffered some delay to the completion of our Magor Brewery. This has been largely due to the appalling weather conditions during the winter months, and the lorry drivers' strike affected supplies of building materials, which added to the delay in completion.

We now expect to be undertaking commissioning trials during the summer and to go into production in the autumn of this year. Magor will be producing a significant amount of our lager requirements by the spring of next year.

New Board Member

We were fortunate that Sir Charles Troughton, ex-Chairman of W. H. Smith and now Chairman of The British Council, agreed to join our Board in October 1978. His wisdom and experience are invaluable to us.

Energy Conservation

We have all been made aware of the need to conserve energy. We believe that we can make a significant contribution to the reduction of fuel consumption both in our industrial premises and in our retail outlets. In November 1978, therefore, we set up an energy management team which is advising all our companies on the methods of reducing fuel consumption.

Annual General Meeting: 12 noon, Tuesday, July 24, Brewery, Chiswell Street, London EC2R 4SD.

The contest for influence over Furness, Withy

BY JOHN MOORE

Controversies in years have generated as great as the contest of international and European shipholdings for an say over the affairs of Withy, the British group.

Shareholders of Furness In seats at their annual meeting tomorrow they are to be asked to vote on an important proposal forwarded by KCA Inter-continental Shipholdings. The implications of the proposal have been largely obscured by the sound and fury

at the centre of the fray are Mr Bristol, chairman and chief executive of KCA Inter-continental Shipholdings and Mr Narby, chief executive of Canadian-owned ship-owning group based in Switzerland.

Individual association membership goes back some time but their respective interests in the company were defined last month when KCA bought 3.4 per cent stake from Withy.

Mr Bristol and his company hold 12.13 per cent stake in the company while Mr Narby and his company hold 10 per cent.

When KCA has reduced its stake to 10.5 per cent in the company and Furness has its own stake to 49.5 per cent.

Association between KCA and Withy has been an uneasy one. Lack of profit at Kingsnorth has led KCA to attack Withy as manager of the company for failing to provide management expertise.

WHAT THE ARGUMENT IS ABOUT

WHAT BRISTOL PROPOSES:

To be appointed a director of FW
KCA's and FW's oil service interests to be merged into joint venture company
FW to explore the possibility of buying Eurocanadian's shareholding in Manchester Liners.

WHAT NARBY WANTS:

New board at FW with new chairman
New financial advisers to FW
Close trading relationship with Manchester Liners, an FW subsidiary
FW to found jointly with KCA a world oil service organisation.

WHAT FURNESS SAYS:

Narby and Bristol are trying to use their holdings in FW jointly to influence the running of the company to the benefit of their own interests.
It is against the interests of shareholders for FW management to be under any kind of compulsion in its negotiation of agreements.

larged oil service group would be better placed to compete in world markets which are dominated by overseas interests.

How any merger of the oil interests might be effected has not been explained but one suggestion is that there should be an issue of Furness, Withy shares to KCA with the appointment of Mr Bristol as manager of the combined interests.

Meanwhile Mr Bristol wants a seat on the Furness Board because KCA holds the largest declared shareholding. He also thinks that Furness, Withy's diversification policy needs reappraisal, and he would like to contribute to that policy.

The ambitions of Mr Bristol are backed by Mr Frank Narby of Eurocanadian.

Mr Narby's association with Furness dates back to 1974 when his Eurocanadian group bid for Manchester Liners, a group in which Furness was the largest single shareholder. The deal ended in deadlock with Furness, Withy holding 61.5 per cent and Eurocanadian 37.5 per cent.

At about the same time Eurocanadian was buying shares in Furness, Withy as part of a general policy of investment in British shipping.

Mr Narby claimed that he had no wish to control Furness; although his eventual 24.9 per cent equity holding in the group was enough to exert a material influence on Furness, Withy's policy.

At the time Mr Narby said that he was seeking to gain Board representation to effect

a merger of his Cast subsidiary company's North Atlantic container business with Manchester Liners' container operations.

In the event the Monopolies Commission ruled that the deal was against the public interest, and that because Manchester Liners and Cast were of a widely differing nature and had differing objectives, Manchester Liners "would suffer substantial disruption and damage."

Mr Narby was required to reduce its stake in Furness Withy to not more than 10 per cent over a two-year period. Moreover, Eurocanadian is prevented from exercising voting rights on more than 10 per cent of the shares.

Holding limit

That was in 1976. Although the deadline has become a little elastic Mr Narby had agreed to reduce his holding to not more than 10 per cent by 1980.

Like Mr Bristol and his investment in Kingsnorth, Mr Narby is profoundly unhappy with having so little say in the running of Manchester Liners. He also has his eye on the large market share that Manchester Liners holds in North Atlantic UK-Canada container operations. Hence his oblique reference in his latest letter to shareholders that a close trading relationship should be sought between Eurocanadian and Manchester Liners.

In addition he wants Furness to unlock him from his Manchester Liners' investment

by buying his holding at cost of purchase and carriage.

Furness wants none of this. It is unimpressed with the record of KCA as managed by Mr Bristol and regards his plans as too sketchy. As for Mr Narby, Furness is prepared to sit round a table and discuss reasonable proposals about Manchester Liners.

There are three jokers in the pack. European Ferries, which holds a 5 per cent stake in Furness, which it purchased from Eurocanadian, has not made its mind up about which camp to support.

Although European Ferries has expressed interest in Furness, Withy in the past its policy in the latest campaign has been to disclaim any involvement with the KCA-Eurocanadian camp.

If it had acted in concert with Mr Bristol and Mr Narby it would have only required the purchase of a 3 per cent stake in Furness by the other two combined interests to trigger a bid under the Takeover Panel's 30 per cent rule. In that situation European Ferries would have to play a key part in financing a bid with partners with which it might not wish to support.

After all in terms of relative size European Ferries has a stock market value of £150m compared with KCA's market value of £10m. Furness Withy is capitalised at £78m. Eurocanadian, a private company, has a turnover of \$250m (£116m). That compares with Furness Withy's turnover of £179m, KCA's £19.1m, and European Ferries' £152m.

Then there is Rea Brothers, the merchant bank and financial advisers to Furness which could have an influence of up to 20 per cent of the Furness shares through funds managed.

Finally, there is the Office of Fair Trading which has been ruminating on whether Eurocanadian has broken the spirit of the letter of the Monopolies Commission ruling by passing across to Mr Paul Bristol, in an arrangement for "deferred settlement" 3.4 per cent of its shares on which under the terms of the Monopolies Commission ruling it would not have been entitled to have any voting rights.

Whatever happens at tomorrow's annual general meeting the affair is not likely to end with the vote.

Another productive year in 1978

Financial Highlights 1978

	1977	1978
	billion DM	
Total Assets	18.74	21.62
Due from Banks	5.88	6.15
Due from Customers	8.38	8.84
Securities	3.80	5.86
Due to Banks	7.51	10.28
Due to Customers	1.48	2.14
Issued Debentures	8.86	8.22
Capital and Reserves	0.37	0.43

(Preliminary figures)

For full information, contact us at Lautenschlagerstrasse 2 D-7000 Stuttgart, Tel: (07 11) 2049-1 Telex: 7-22701.

Landesbank Stuttgart

Württembergische Kommunale Landesbank Göttingen

Where money is productive



DO WE SERIOUSLY EXPECT YOU TO PAY £3,500 FOR A COLOUR TELEVISION?

Yes. After all, the Mitsubishi VS500 large screen ordinary colour television. It features a fifty inch screen that transforms ordinary television transmissions into a spectacular, cinema style image. Not to mention complete remote control—

including colour and contrast. On-screen identification check for easy channel selection. 5 watt sound output from two powerful speakers. And, to complete the picture, a spherical aluminium coated screen for perfect viewing—even in normal room lighting. As demonstrated by this actual photograph of

the Mitsubishi VS500 large screen in action. Mitsubishi have created the ultimate TV set. And who else would you expect to possess the advanced technology, the research facilities and the pioneering foresight to produce an innovation of this calibre? Or the reputation to back it—proven by our

smaller sets over years of flawless reliability. In short, we feel that around £3,500.00 (R.R.P.) is a small price to pay for such a masterpiece—especially taking into account the commercial applications. Considering the luxury to which you're accustomed, could you seriously afford to live without it?



NORTH AMERICAN NEWS

Senate criticism of \$1bn Exxon bid

BY STEWART FLEMING IN NEW YORK

MR. HOWARD METZENBAUM, chairman of the Senate Anti-Trust Sub-committee, warned yesterday that unless Exxon Corporation can justify its \$1.2bn takeover bid for Reliance Holdings in terms of potential energy savings, the deal "must not be allowed to go through."

Reliance, which makes electric motors and other electrical equipment, last month. It claimed that it needed to undertake perhaps the most costly and extraordinary diversification plan proposed by any of the oil major in order to exploit a technical breakthrough in electric motor design which could save the U.S. 1m barrels of oil a day by the early 1980s.

Supreme Court reverses Texas takeover ruling

By Our New York Correspondent

THE U.S. Supreme Court has overturned a ruling by a Federal Court in Texas which declared that the Idaho state takeover law was unconstitutional.

Truck and van sales fall back

BY JOHN WYLES IN NEW YORK

U.S. MANUFACTURERS are drastically cutting back on their production of trucks and vans because of a steep fall in sales which, like the softening in the car market, appears to owe much to the current petrol shortage.

heavy duty trucks have fared somewhat better, because they are more capital than consumer purchases, and will be slower to respond both to rising energy costs and the general weakening of the economy which is now evident.

Charter sees bid success

JACKSONVILLE — Charter Company has restated its conviction that its bid to obtain control of a 65 per cent interest in a B-himian refinery will succeed.

Start next year for Sony Prudential Insurance

NEW YORK—The Japanese Ministry of Finance approved the establishment of Sony Prudential Life Insurance, said Mr. Akio Morita, the chairman of Sony.

U.S. investors had reduced their holdings of Sony stock to about 6 per cent, as at April 30, from a high of 43 per cent in 1973. However, such net sales had almost stopped since May.

Chubb in Irish insurance venture

NEW YORK—Chubb Corporation said its Belgian subsidiary, European Federation Insurance, has been licensed to write non-life business in the Republic of Ireland.

United Technologies defends Carrier bid

HARTFORD—United Technologies Corporation said a Securities and Exchange Commission complaint against its acquisition of a majority of Carrier Corporation "is totally unwarranted."

EUROBONDS

Sharp discounts fail to stir quiet dollar sector

BY FRANCIS GHILES

A \$50m 15-year bond issue for Dome Petroleum with an indicated coupon of 10 per cent was announced yesterday. The bonds, which have an average life of 11.97 years, are redeemable after July 15, 1984. They are expected to be priced at 99 1/2. Lead manager is Morgan Stanley.

last six dollar-denominated issues to start trading, are currently standing at an average discount of 2.14 per cent, well over the average selling group discount of 1.1 points given to institutional investors when they purchase new paper.

MEDIUM TERM FINANCING

Iran seeks to re-activate loan

BY JOHN EVANS

AN IRANIAN Government agency, the Telecommunications Company of Iran (TCI), is seeking to re-activate a \$250m loan it had previously arranged with Western banks on the international capital markets.

such borrowings may help to give the Government some valuable breathing space in meeting its existing foreign debt commitments, which it has calculated at some \$5bn for both private and official obligations.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published in the second Monday of each month.

Table with columns for U.S. DOLLAR, DEUTSCHE MARK, SWISS FRANC, and OTHER STRAIGHTS. Includes columns for Issued, Bid, Offer, Change on day, and Yield.

First Lincoln talks off

MONTEREY PARK — First Lincoln Financial Corporation said that the previously announced talks with Weyerhaeuser about the possible acquisition of its Lincoln Savings and Loan association subsidiary have been suspended.

IBM anti-trust appeal fails

NEW YORK — INTERNATIONAL Business Machines Corporation has been ordered to make available more documents in a key anti-trust case, despite the company's contention that it would take 62,000 man-years to do so.

Scott & Fetzer sees record

LAKEWOOD—Scott and Fetzer, the books and vacuum cleaners concern, will report a second quarter profit rise of 10 per cent to 12 per cent despite the impact of the petrol shortage, high start-up costs at new facilities, and the adverse effects of a vacuum cleaner model change.

Petroleos de Portugal, E.P. PETROGAL. US\$ 60,000,000 Medium Term Loan. Includes logos and list of participating banks.

Handwritten signature or mark at the bottom center of the page.

FINANCIAL TIMES REPORT

Wednesday June 27 1979

Lead and Zinc

Usually sharing a common orebody, lead and zinc are traditionally thought of as a pair. This year, however, the fortunes of the two metals are varying. Lead prices have gone racing ahead, largely through heavy Russian buying. But prospects over the long term for both metals remain difficult to predict.

LEAD HAS surged ahead of its sister metal zinc during the past year, providing one of the most spectacular performances in the metal markets. Traditionally, lead (like its metallic properties) has been the dull steady metal, while zinc has provided the fireworks with volatile price movements. Now the roles have been reversed.

Zinc prices have risen slowly and steadily during the past 12 months, mainly as a result of cutting back output by producers to match demand more closely. Zinc producers, however, claim prices are still too low to justify investment in new capacity and are gloomy about demand prospects.

In contrast lead prices have shot up to all-time high, more than double the level of a year ago, and producers are reaping a rich reward. Particularly unusual is the fact that the upsurge in lead did not follow a period of depression as so often happens with other metals.

Exploded

Lead prices held up very well during the long period of reduced industrial activity that hit most of the other metal markets hard, with huge surplus stocks piling up and undermining prices. This general depression in metals held back lead prices for a time, but the market subsequently exploded as the pressure became too great.

There are several reasons for the market upsurge. The most popular and most publicised

influence in the lead market has undoubtedly been the great increase in buying by the Communist bloc countries, led by the Soviet Union, which has stripped away all surplus supplies and created a shortage.

No one can explain satisfactorily why there should have been such an increase in lead purchases by the Soviet Union. There are many theories.

These range from stockpiling in case of a war with China to use of lead in nuclear plants, technical problems cutting domestic output, or simply that the growing standard of living in Russia has expanded the use of lead, especially for the Soviet Union's growing car population.

Net imports of lead to the Communist bloc countries rose to 116,000 tonnes in 1978, compared with 43,000 in 1977, according to estimates by the International Lead-Zinc Study Group. This year the Lead-Zinc Development Association calculates that Russian purchases are running at the rate of 120,000 tonnes of metal annually, plus 80,000 tonnes of ore concentrates.

This quantity is not all that high compared with total Western world production of nearly 3.7m tonnes of lead metal. But the impact of the Communist bloc purchases is greatly exaggerated by the pricing and marketing system for lead.

Outside North America the price of lead is based on the

daily quotations reached on the London Metal Exchange (LME). The bulk of lead supplies is traded directly between consumers and producers without touching LME, but the prices specified in these supply contracts are based on LME

Exchange at a time when there are reasonably adequate supplies overall. This indeed appears to be the situation at present, with the cash price of lead on the Exchange maintaining a considerable premium over the forward three-months

contracted customers: stocks have dropped to very low levels and

in zinc output also meant a cut-back in lead production.

Not generally appreciated, until too late, was the underlying strength of lead consumption, bolstered by the unexpectedly heavy buying by the Communist bloc as well as

discouraging consumption and stimulating production. But the extent of any increase in supplies depends partly on zinc; there are no real new reserves of lead ready to be exploited, like the Missouri Lead belt, so any rise in primary production is likely to be fairly marginal. At the same time the flow of scrap lead supplies depends on the amount of new investment in cars, plant and machinery, and would, therefore, be reduced by an industrial recession.

Scrap refiners, who supply some 60 per cent of Britain's lead requirements, do not necessarily benefit from higher prices. They simply have to pay more for their raw materials, and their margins are affected by the increased capital tied up in higher prices.

Nevertheless, the short-term trend in lead prices appears to be very dependent on whether buying interest from the Soviet Union and other Communist bloc countries is sustained at its present level.

The present inflated price on the LME is mainly the result of Russian buying of surplus supplies, so the market could come down very sharply if this buying element was removed or reduced substantially. Meanwhile, however, the LME, with the help of the Russians, appears to have achieved the objective of the old alchemists in turning lead into gold.

Zinc presents a very different picture. Stocks remain adequate, despite the cutbacks in output that are now being restored as a result of the

boom in lead and some limited improvement in demand.

If the expected economic recession does develop at the end of the year, as feared, zinc producers could be struggling again. The official producer prices in Europe and North America, at which the bulk of zinc is sold, have been pushed up steadily during the past 18 months from very low levels. But there is some apprehension as to whether the rise in prices has been overdone. Producers are keeping a very wary eye on the LME zinc market.

Influence

Although only a small proportion of zinc supplies, mainly from North Korea, is traded via the Exchange, the market does provide a good indication of the underlying market trend. It has become a considerably bigger influence in recent years when the producer price system virtually collapsed under the strain of excessive stocks and anti-cartel regulations preventing producers getting together.

At present the mild recovery in the steel industry has bolstered demand in zinc's main outlet—galvanising and coatings. But its other main market—diecasting—has suffered severe losses, especially in the U.S., where the motor industry has turned away from zinc in search of lighter materials to help with energy cost-saving objectives. It seems doubtful whether zinc will win that market back, even though its price is now much more competitive.

Price trends diverge

By John Edwards, Commodities Editor

quotations. So although only a percentage of lead is actually traded through the Exchange, its pricing influence extends to all lead sales.

Even though North American lead producers fix their own domestic prices these have to take account of LME quotations either to remain competitive or to ensure that an adequate supply of ore concentrates for the smelters can be maintained.

The problem is that the removal by the Russians of the bulk of the residual supplies traded via the LME has an abnormal effect in boosting prices by squeezing the amount available to the market. In theory there can be a shortage of supplies available to the

quotation because of the low level of stocks held in LME warehouses following heavy sustained buying by the Russians.

The price is further distorted by speculators jumping on to the bandwagon to take advantage of the situation. Speculative forward buying is encouraged by the fact that the price goes higher as the delivery dates come nearer, even without the market changing overall. But trade hedging sales are discouraged when the cash price is at a premium.

This market shortage situation can only exist of course when there are inadequate supplies elsewhere to make up the shortfall. Normally the higher price levels should

there has been little to spare for buyers on the LME. Demand for lead, apart from Communist bloc buying, has been unexpectedly buoyant while there have been various setbacks in supply.

The biggest setback in lead production has resulted, ironically, from the very depressed situation in zinc, where surplus stocks built up to unprecedented levels, forcing prices lower and lower. To reduce these surplus stocks and restore prices to more profitable levels, zinc producers were forced to make big cutbacks in output. Unfortunately, since lead and zinc are often produced from the same ore, and smelted together, the reduction

by spells of extremely cold weather, which boosted demand for lead batteries. The oil crisis, while putting up the cost of mining primary lead and recovering scrap supplies, has at the same time increased demand for battery power and also slowed down the removal of lead anti-knock compounds from petrol.

Whether the upward trend in lead prices can continue must be open to doubt, although the same pessimism about trends has been expressed all the way up. There are signs that speculators are deciding to take their profits and move elsewhere.

The fundamental supply-demand situation is changing slowly, with the high prices

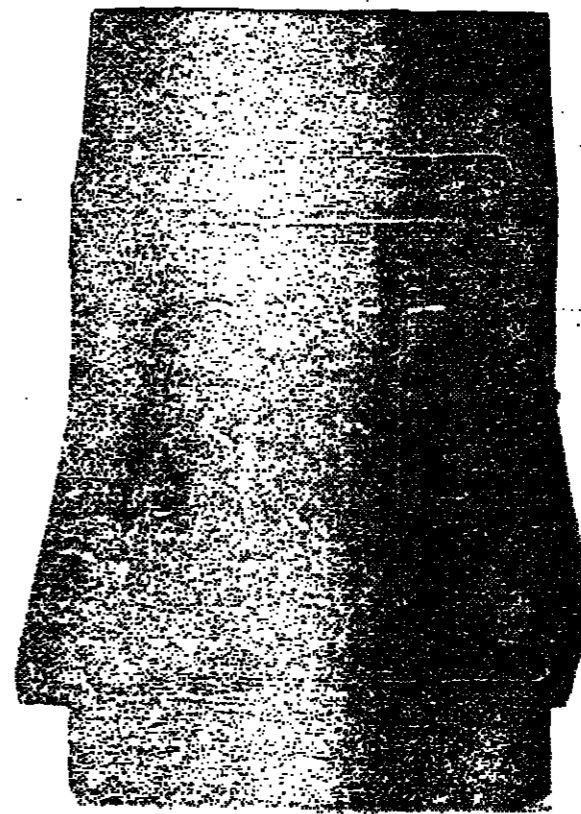
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مكتبة الامن للصحف

LEAD AND ZINC II

PRODUCTION

Increasing competition ahead

AND ZINC producers are staging a financial recovery... but even though prices are appreciably higher in the dog-days of the prospects of a rapid recovery...

The pattern for zinc is much the same. Western world mine production was 4.68m tonnes last year and is expected to rise to 4.9m tonnes this year. There has been a small rise in output every year since 1974 when production was 4.48m tonnes.

with a loss of FFr 38.2m, commented bitterly that the fall of the dollar, and the distortion that flowed from it, penalised European and Japanese producers. The biggest lead and zinc producers — the U.S., Canada, Australia and Peru — are members of what is called the "dollar zone."

countries, anxious to maximise revenue at a time when international economic trends related to the latest energy crisis are moving against them.

been far more intensively prospected, Dr. Sies said. At present the world's biggest zinc producer is Canada, with a 1978 production, according to AMC figures, of 1.2m tonnes.

for their own workers but also with strictly defined air controls. By law, ambient air standards are health-based — economic impacts cannot be considered in setting the standard.

shown, especially in the deepest days of the post-1974 recession, that the producers cannot expect to align market prices up against their operating costs.

For professional advice and up to date information the London Metal Exchange



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LONDON HOUSE, 11 BYWARD STREET, LONDON EC3R 5ED London 01-626 8765; New York (212) 725 0543

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Commodity Surveys 1979

The Financial Times is planning to publish a number of Surveys on Commodities. The titles and provisional publication dates are listed below.

- Tea 7 September
U.S. Commodities 20 September
Sugar 9 October
London Metal Exchange 18 October
Cotton 9 November
Rubber 7 December

The Financial Times publishes over 250 separate Surveys every year on a wide variety of subjects. The complete Survey schedule is available on request.

For further information on Commodity Surveys and details of advertising rates please contact: Meyrick Simmonds, Financial Times, Bracken House, 10 Cannon Street, London EC4A 3DF Tel: 01-248 8000 Ext. 7180

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

DEMAND

Hopes pinned on newer nations

LEAD AND ZINC are both looking towards the developing countries to provide the main growth in demand during the years ahead. At present the bulk of consumption of both metals is very much centred in industrialised countries, but the annual rate of growth in demand had been rising much faster in developing areas.

There has already been a significant change in the pattern of lead consumption overall. The lead industry is becoming increasingly dependent on batteries to provide the main source of its sales. In the non-Communist world, according to estimates by the Lead-Zinc Development Association, batteries now account for over 50 per cent of all lead consumption and as much as 60 per cent in the U.S. alone.

nical problems in the all-important recovery of secondary supplies. The high percentage of scrap lead recovered is mainly due to the efficient collection of used batteries, but a change in the constituents obviously provides secondary refiners with some difficulty.

So far the main achievement has been in prolonging the life of the average battery. But perhaps the future emphasis in cars, for example, will more on reduced weight for fuel saving purposes and with the battery expected to provide more power to service increasing electrical requirements.

people at present would predict a promising outlook for steel with the threatened industrial recession following on the oil supply crisis. World zinc consumption in 1978, according to the Lead-Zinc Development Association, was 10 per cent below the 1973 level, and it will require a big effort to expand the uses of zinc while maintaining highly competitive prices.

The other important factor is that with such a high proportion of lead being recovered from batteries, the growth in this market is not as helpful to primary mine production. The main outlet for lead, where the metal is not recovered, is in the manufacture of anti-knock compounds for petrol. The use of lead in petrol is not being phased out as quickly as expected, mainly because the cutback in oil supplies has persuaded governments to slow down action against an efficient way of boosting octane ratings.

Anti-knock The growth potential in other markets, apart from batteries, does not look too promising. But past experience has shown that as soon as lead loses one market it inevitably gains another. Who had heard of lead-acid batteries 75 years ago? The outlook for zinc is rather less promising. Consumption was badly hit by the 1974 shortage boom which triggered off intensive efforts into finding alternative products; zinc is still suffering from the aftermath.

Unfortunately zinc is also facing a longer term threat from the loss of sales to the die-casting market, a loss it is going to find great difficulty in recovering. The die-casting market for zinc in the U.S. has been nothing short of a disaster, with zinc being written out of the design of many modern cars, simply because of the weight problem. So far zinc has fared somewhat better in other industrialised countries, but the trend has been set in the U.S. and must pose worries about the future.

John Edwards



Lead - Material with a Future

Metal with a history. Lead today furthers progress in many branches of industry. Lead from Metallgesellschaft. The Company is engaged in the mining and exploitation of zinc-lead ores in the Federal Republic of Germany and imports zinc and lead concentrates from all over the world. 190,000 tonnes per annum of refined lead, high-purity lead, hard lead and cable sheathing lead and lead alloys are supplied by the smelters of Metallgesellschaft and its shareholdings and subsidiaries. Almost the total consumed and exported by the Federal Republic of Germany.

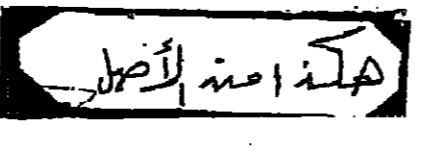
Castings, rolled and extruded components, stampings and products for plant engineering, sound-insulation and radiation protection are supplied by the Vereinigte Zinkwerke GmbH, Stolberg, a member of the Metallgesellschaft Group. Metallgesellschaft trades metals around the clock and around the globe. An experienced team offers individual service on a world-wide scale - fast, flexible and reliable, geared to new technology, supplying consumers, any quality - any time - any place. Metals are our element. A century of experience in prospecting, exploration, mining and marketing of ores and metals, research and metallurgy; manufacture of high-quality semi-finished and finished products; development, planning and design of the most modern industrial plant; development of new engineering and chemical processes; group-integrated transport, banking and insurance services.

In fact, just the right degree of knowledge and experience our partners need. The Supply of Raw Materials The Production of Metals and Energy The Protection of the Environment The Priorities of Our Age The Priorities of Metallgesellschaft METALLGESELLSCHAFT AG Reuterweg 14, Postbox 3724 D-6000 Frankfurt am Main 1 METALLGESELLSCHAFT LTD.* 19-21 Great Tower Street London EC3R 5AQ METALLGESELLSCHAFT AG London Trading Branch 1 Kingsway London WC2B 6XF

WORLD PRODUCTION AND CONSUMPTION ('000 tonnes)

Table with columns for LEAD and ZINC, and rows for Mine Production, Net Trade with Socialist Countries, Metal Production, Metal Consumption, Balance: Production/Consumption, Net Trade with Socialist Countries, Net Changes in National Stockpiles, U.S., Japan, Statistical Balance, and Estimate. Data spans from 1973 to 1978.

Paul Cheeseright



Balance Sheets. The consolidated balance sheets of the Group at 30th September in each of the years 1973 to 1978 inclusive and at 31st March, 1979, and the balance sheet of the Company at 31st March, 1979 were as follows:

(iii) Retained Profits. The Group. 31st March 1979. 1973 1974 1975 1976 1977 1978 1979. Revaluation surplus, Revenue reserves (note 7(vii)).

Apert from the holdings set out above, the Directors are not aware of any shareholding which will, following completion of the placing, represent 5 per cent. or more of the issued Ordinary Share capital of the Company.

Source and Application of the Group Funds. The Group. 30th September 1978. 1973 1974 1975 1976 1977 1978 1979. Six months ended 31st March 1979.

(iv) Capital commitments at 31st March, 1979, were: The Group. 31st March 1979. 1973 1974 1975 1976 1977 1978 1979.

6. MATERIAL CONTRACTS. The following contracts (not being contracts in the ordinary course of business) have been entered into within two years immediately preceding the date hereof and are or may be material.

Statutory and General Information. 1. SHARE CAPITAL. (i) On 26th June, 1977, being the date two years preceding the date of this placing, the authorised share capital of Fairline Boats Limited (the Company) was £250,000, divided into 5,000 voting "A" Ordinary Shares of £1 each and 90,000 non-voting "B" Ordinary Shares of £1 each.

Appendix II. HODGSON, HARRIS & CO. Chartered Accountants. BINDER HAMLYN Chartered Accountants.

7. PROFIT FORECAST ASSUMPTIONS AND LETTERS. Basis and Assumptions. The profit forecast for the year ending 30th September, 1979 is based on the audited consolidated accounts of the Group for the 6 months ended 31st March, 1979 and on the following principal assumptions:

Notes to the Accounts. 1. Basis of consolidation. The accounts of the Company have been made up to 30th September in each year except for those for the six months ended 31st March, 1979. The accounts of Oundle have been made up to 31st October of each year from 1975 to 1978 inclusive and also for the five months ended 31st March, 1979.

Notes to the Accounts. 2. Assets by geographical location. 3. Intangible assets.

8. TAXATION. The Directors have been advised that following the completion of this placing it is expected that the Company will not be a close company within the meaning of the Income and Corporation Taxes Act 1970.

Notes to the Accounts. 4. Intangible assets. 5. Goodwill. 6. Depreciation.

Notes to the Accounts. 7. Depreciation. 8. Depreciation.

9. GENERAL INFORMATION. (i) So far as the Directors of the Company are aware, there is no material litigation or any claim of material importance pending or threatened against the Company or any of its subsidiaries.

Notes to the Accounts. 9. Debtors. 10. Creditors.

Notes to the Accounts. 11. Debtors. 12. Creditors.

10. DOCUMENTS AVAILABLE FOR INSPECTION. Copies of the following documents will be available for inspection at the offices of Barclays Merchant Bank Limited, Dashwood House, 69 Old Broad Street, London EC2P 2EE and Roynon & Co., 10 Pinchback Road, Spalding, Lincolnshire PE11 1PZ during usual business hours on weekdays (Saturdays and public holidays excluded) for a period of fourteen days from the date of this document.

Notes to the Accounts. 13. Debtors. 14. Creditors.

Notes to the Accounts. 15. Debtors. 16. Creditors.

11. DOCUMENTS AVAILABLE FOR INSPECTION. Copies of the following documents will be available for inspection at the offices of Barclays Merchant Bank Limited, Dashwood House, 69 Old Broad Street, London EC2P 2EE and Roynon & Co., 10 Pinchback Road, Spalding, Lincolnshire PE11 1PZ during usual business hours on weekdays (Saturdays and public holidays excluded) for a period of fourteen days from the date of this document.

WORLD STOCK MARKETS

Companies and Markets

Early Wall St. responds to OPEC hopes

INVESTMENT DOLLAR PREMIUM Effective \$2.1520 10% (11%) A SLIGHTLY FIRMER tendency prevailed on Wall Street yesterday, reflecting hopes that the oil price increase decided by OPEC Oil Ministers will not be as large as previously feared.

After rising 2.08 to 848.33, the Dow Jones Industrial Average closed prices and market reports were not available for this edition. reacted to 844.25 by 1 pm, leaving it unchanged on the day. The NYSE All Common Index was up 15 cents to \$38.05, after touching 888.12. Rises led falls by a seven-to-five majority, while the trading volume was little changed at 23.31m (22.4m) shares.

Reports from Geneva indicated Saudi Arabia may press for a much lower price than sought by many of the other members. The stock market also drew some strength from gains by the dollar following comments by Treasury Secretary Blumenthal that there is a consensus among the seven nations attending the Tokyo Summit to put ceilings on oil imports, backed up by

International "A" \$1 to \$40. Computer Investors Group were lifted \$5 to \$4 on a profit for the March 31 fiscal year, up from a loss a year before. Active Colonial Commercial tumbled \$2 to \$181-1/2 in consideration of a rights offering of shares of a subsidiary.

Canada Markets were higher in fairly active noon trading yesterday, when the Toronto Composite Index rose 3.2 to 1866.2. The Metals and Minerals Index gained 3.7 to 1369.7, Oil and Gas 2.5 to 2940.7, Utilities 1.75 to 236.56, Metals 1.57 to 305.72 and Papers 1.23 to 171.46. Only Golds, down 16.5 to 1891.3, moved against the general trend.

Among Oils, Numac Oil rose \$1 to \$39.00. Amalgamated Bonanza \$1 to \$191. Canadian Superior \$1 to \$146 and Shell Canada \$1 to \$201. On a lower London gold \$4, Dome Mines shed \$1 to \$45; while Camflo Mines at \$151 and Dickenson Minerals at \$85; each shed \$1. BP Canada where up \$1 to \$281 on a raised dividend. Trans-Canada Resources firmed 5 cents to \$3.05 on higher earnings. Canadian Pacific gained \$1 to \$32.7.

Among rising Paper issues, Domtar added \$1 to \$23.1. Royal Bank went \$1 to \$41.1, while Bank of Montreal firmed \$1 to \$23.1 on a raised dividend.

Germany Share prices continued firmer in nearly all sectors, with leading issues gaining ground in a moderate turnover. Motors responded to strong foreign interest. Daimler were marked up DM 5.50 and VW DM 3.70. But BMW lost DM 1.50 against the general trend.

Brussels Belgian share prices were mostly lower in very quiet trading. In foreign stocks, Germans and Canadians were higher, U.S. and U.K. little changed. French, Swiss and Dutch mixed. Gold Mines also were lower.

Amsterdam Share prices closed mostly higher, with Royal Dutch gaining F 2.90 to 148.70, its highest level of the year. Hoogovens held unchanged in otherwise firmer international. Shipments were higher with KNSM, Nedlloyd and van Ommen putting on up to F 12.50. Robeco gained F 1 and Ahold F 15. But Algemene Bank Nederland, Deli and Faber each lost around one guilder.

Switzerland Prices moved slightly higher in increased settlements. Day turnover supported by the recovery of the U.S. dollar. Swissair rose SwF 4, while Fininvest were actively firmer led by Holderbank, Moenpick, Gerlikon-Buehrle and Elektro. Insurances were mixed. Leading Industrials were generally higher.

Utilities continued higher on renewed support. KW Laufenberg recouped part of its coupon concession. CKW and Ael were also gained ground on a possible rise in energy prices. Domestic and Foreign Bonds firmed slightly.

Share prices fluctuated narrowly, while Chrysler gained ground. Dutch Internationals rose, led by Royal Dutch. German shares were widely firmer, while

Indices

Table with columns for Index Name, Date, and Values. Includes NYSE All Common, Dow Jones Industrial Average, etc.

Table with columns for Index Name, Date, and Values. Includes Standard and Poors, NYSE All Common, etc.

Table with columns for Index Name, Date, and Values. Includes Montreal, Toronto Composite, Johannesburg, etc.

Table with columns for Index Name, Date, and Values. Includes Australia, Tokyo, etc.

Table with columns for Index Name, Date, and Values. Includes Germany, etc.

Table with columns for Index Name, Date, and Values. Includes Tokyo, etc.

Table with columns for Index Name, Date, and Values. Includes Brussels/Luxembourg, etc.

Table with columns for Index Name, Date, and Values. Includes Amsterdam, etc.

Table with columns for Index Name, Date, and Values. Includes Copenhagen, etc.

Large table listing various stocks and their prices, including Abbott Labs, Am International, etc.

Large table listing various stocks and their prices, including Williams Co., Westwood, etc.

Large table listing various stocks and their prices, including Abitibi Paper, Alcan, etc.

Table titled 'MONDAY'S ACTIVE STOCKS' listing various stocks and their prices.

Table titled 'OSLO' listing various stocks and their prices.

Table titled 'JOHANNESBURG' listing various stocks and their prices.

Table titled 'PARIS' listing various stocks and their prices.

Table titled 'SWITZERLAND' listing various stocks and their prices.

Table titled 'MILAN' listing various stocks and their prices.

Table titled 'EUROPEAN OPTIONS EXCHANGE' listing various options and their prices.

Table titled 'BASE LENDING RATES' listing various banks and their lending rates.

Table titled 'AMSTERDAM' listing various stocks and their prices.

Table titled 'COPENHAGEN' listing various stocks and their prices.

Table titled 'VIENNA' listing various stocks and their prices.

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Minister says fish stocks firm

Mr. Peter Walker, Minister of Fisheries, is taking a tough line on a market fishery policy...

Ghanaian cocoa crop lowest for 10 years

ACCRA—Ghana's cocoa production for 1978-79 is estimated at 254,000 tonnes, the lowest for 10 years...

Erratic day in metal market

FLUCTUATIONS in the value of sterling against the U.S. dollar made for an erratic day's trading on the London Metal Exchange yesterday.

WEST GERMAN AGRICULTURE

Ertl fends off big tax rises

HERR JOSEF ERTL, the West German Minister of Agriculture, has done it again. Not only did he fight off any threat to German farmers' income in the EEC price marathon...

Sugar tenders to continue

BRUSSELS—The Common Market's weekly sugar export tenders will continue into July to eliminate remaining stocks...

Warble fly pest on the wane

CHRISTOPHER PARKES HAS been a dramatic decline in the incidence of warble fly in British cattle and livestock...

Japan curbs whale trade

TOKYO—Japan will ban all imports of whales and whaling products from countries which are not members of the International Whaling Commission...

Stockpile plan

PARIS—France plans further purchases of minerals to reach its stated target of holding two months' supplies by 1985...

Japan curbs whale trade

TOKYO—Japan will ban all imports of whales and whaling products from countries which are not members of the International Whaling Commission...

FISH COMMODITY MARKETS

Table with columns for METALS, COCOA, RUBBER, SOYABEAN MEAL, COFFEE, SUGAR, GRAINS, WHEAT, and NICKEL. Includes prices and changes for various commodities.

AMERICAN MARKETS

Table with columns for METALS, COCOA, RUBBER, SOYABEAN MEAL, COFFEE, SUGAR, GRAINS, WHEAT, and NICKEL. Includes prices and changes for various commodities.

EUROPEAN MARKETS

Table with columns for METALS, COCOA, RUBBER, SOYABEAN MEAL, COFFEE, SUGAR, GRAINS, WHEAT, and NICKEL. Includes prices and changes for various commodities.

INDICES

Table with columns for FINANCIAL TIMES, MOODY'S, and DOW JONES. Includes index values and changes.

INSURANCE BASE RATES

Table showing insurance base rates for Property Growth, Vanbrugh-Guaranteed, and other categories.

A Guide to Managed Commodity Accounts

Are you looking for a way to invest in commodities? What should you do about placing funds in commodities? What should you do if you are a broker? Before committing yourself, or your money, short test?

CCST Managed Accounts Ltd. Walsingham House, 35 Seething Lane, London EC3N 4AH. Tel: 01-480 6841.

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AUTHORISED UNIT TRUSTS

Table of authorised unit trusts including titles like 'Miser Fund Managers Ltd.', 'MLA Unit Trust Management Ltd.', and 'Friends Provident Unit Tr. Mgrs.', with columns for fund names and dates.

Table of fund managers and their offerings, including 'Miser Fund Managers Ltd.', 'MLA Unit Trust Management Ltd.', and 'Friends Provident Unit Tr. Mgrs.', listing various investment funds.

Table of fund managers and their offerings, including 'Miser Fund Managers Ltd.', 'MLA Unit Trust Management Ltd.', and 'Friends Provident Unit Tr. Mgrs.', listing various investment funds.

OFFSHORE AND OVERSEAS FUNDS

Table of offshore and overseas funds including titles like 'Alexander Fund', 'Allen Harvey & Ross Inv. Mgt. (C.I.)', and 'Auribus & Securities (C.I.) Limited', listing fund names and details.

INSURANCE AND PROPERTY BONDS

Table of insurance and property bonds including titles like 'Abhey Life Assurance Co. Ltd.', 'Crown Life Assurance Co. Ltd.', and 'Eagle Star Insurance Co. Ltd.', listing various insurance policies.

Table of insurance and property bonds including titles like 'Abhey Life Assurance Co. Ltd.', 'Crown Life Assurance Co. Ltd.', and 'Eagle Star Insurance Co. Ltd.', listing various insurance policies.

NOTES: Prices do not include 5 pence stamp duty where applicable and are in force unless otherwise indicated.



FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table of British Funds with columns for Name, Price, and % Change.

Five to Fifteen Years

Table of British Funds (Five to Fifteen Years) with columns for Name, Price, and % Change.

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Table of British Funds (Over Fifteen Years) with columns for Name, Price, and % Change.

Undated

Table of British Funds (Undated) with columns for Name, Price, and % Change.

INTERNATIONAL BANK

85 [80] [Spec. Trust 77-82] [80] [1.6] [6.86] [12.22]

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and % Change.

COMMONWEALTH & AFRICAN LOANS

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LOANS

Public Bond and Ind.

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Financial

Table of Loans (Financial) with columns for Name, Price, and % Change.

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Table of International and British Offices with columns for Location, Name, and Contact Info.

ADVERTISING OFFICES

Table of Advertising Offices with columns for Location, Name, and Contact Info.

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AMERICANS

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Hire Purchase, etc.

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DRAPERY AND STORES

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INDUSTRIALS (Miscel.)

Table of Industrials (Miscel.) with columns for Name, Price, and % Change.

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Table of Engineering Machine Tools with columns for Name, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Price, and % Change.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Price, and % Change.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock name, price, and other financial metrics.

INSURANCE—Continued

Table of insurance companies such as Royal Indemnity, Commercial Union Assurance, and others, listing their stock prices and performance.

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Table of investment trusts offering various asset classes, such as the British Overseas Investment Trust and others.

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Table of trusts, finance, and land investments.

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Table of finance, land, and other investments.

DIAMOND AND PLATINUM

Table of diamond and platinum investments.

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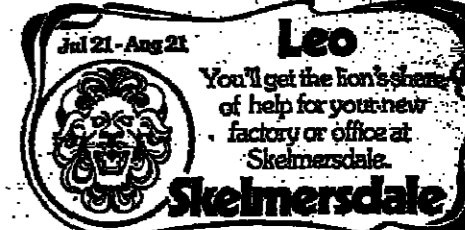
Table of regional market data for various countries.

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Table of options trading data.

CENTRAL AFRICAN

Table of investments in Central Africa.



SHOPS & OFFICES

Bernard Thorpe
LONDON, SW1 TEL: 01-834 6890

A 'mountain' of undelivered post

BY JOHN LLOYD

THE POST OFFICE yesterday admitted that it had accumulated an enormous mountain of undelivered letters and parcels, particularly in London, where some 20m letters waiting to be delivered in London, there are 25,000 for addresses in Birmingham and 17,000 parcels. Delays of one or two days are now common on first class mail, and of up to a week on second class mail.

Delays are worst in London, the Home Counties, the Midlands, and the North East. In addition to the 20m letters waiting to be delivered in London, there are 25,000 for addresses in Birmingham and 17,000 parcels. Delays of one or two days are now common on first class mail, and of up to a week on second class mail.

cash in the telecommunication business through the blocking of computerised bills, a shortage of telecommunication stores in the regions and even problems in processing weekly payrolls.

nationally simply to return to an adequate service, while it would need up to 4,000 more to reduce the very high levels of overtime now being worked.

Engineers plan overtime ban and one-day strikes on pay

BY NICK GARNETT, LABOUR STAFF

A NATIONAL overtime ban and a programme of one-day strikes in support of the engineering industry pay claim were agreed yesterday at the Confederation of Shipbuilding and Engineering Unions annual conference.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said individual companies would be given dispensation from the dispute only if they agreed to meet the full claim, including the reduction in the working week to 39 hours.

The conference of the confederation, which has 18 affiliated unions including the country's three largest, agreed in Llandudno to back a motion from the Amalgamated Union of Engineering Workers' engineering section for industrial action if the claim is not met in full.

Mr. Duffy said the claim was valid. The unions were not "hell bent" on collision but if the employers refused to concede the claim it would be "a very grave situation."

Union to probe win by Leftist

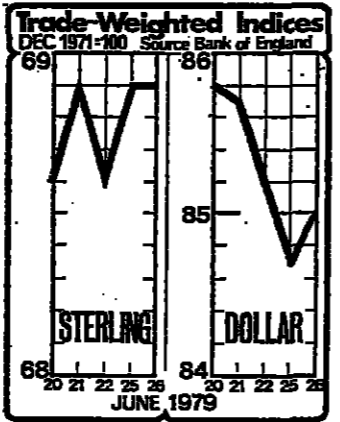
By Christian Tyler, Labour Editor

AN INQUIRY into the election of a Left-winger to the executive council of the Electrical and Plumbing Trades Union was ordered by the executive yesterday.

Dollar rallies slightly but markets nervous

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE DOLLAR rallied yesterday after its recent sharp falls, but it recouped only some of the big decline on Monday, and trading in the dollar against the basket of other currencies, remained nervous and volatile.



Dealers said the rally followed the statement by Mr. Michael Blumenthal, the U.S. Treasury Secretary, that the U.S. would achieve a large cut in its oil imports by the end of the year.

A technical influence supporting the dollar may have been the desire of banks to close speculative positions in time for

the end of the accounting half-year this weekend.

The dollar was the main influence on sterling, which fluctuated in the unusually wide range of \$2.1355 to \$2.1670. But there was relatively little business for most of the day and any intervention by the Bank of England was probably on a small scale.

The pound finished 70 points lower at \$2.150 against the dollar and unchanged or slightly higher against most other leading currencies.

At this level, the trade-weighted index has risen by 2 1/2 per cent since the Budget a fortnight ago and by 7.8 per cent since the end of December.

OPEC

with a floor of \$18 and a ceiling of \$20 would be a possible alternative, he said.

Chrysler strike vote

most seriously prejudice our future. It will destroy the confidence of our new owners and make it practically impossible for us to win the future investments which we so desperately need to modernise our factories and introduce new models," the letter said.

Chrysler UK was taken over at the beginning of this year by PSA Peugeot-Citroen. The investment at risk is the finance to assemble a four-door version of the successful Chrysler Alpine at Ryton from next year.

A Saudi decision to allow output from its main fields to rise by 500,000 or as much as 1m barrels a day would be of significant, though not necessarily critical, importance.

Chrysler's workers have been in the forefront of pay claims over the past three years, but have usually backed down.

There were reports that the Right might object on the grounds that the candidate, Mr. Billy Williams of Cardiff, declared support for Mr. Bevan if he himself was eliminated under the single transferable vote system.

Ghana shootings bring oil cut threat

BY MARK WEBSTER

NIGERIA is expected to impose oil sanctions on Ghana following yesterday's execution of six of the most prominent figures in former military regimes.

General Acheampong and included General Fred Akuffo, the man who replaced him in a coup last July.

supplies of its own, the maximum output of its wells would be 5,000 barrels a day—about 18 per cent of total domestic consumption. At present it is producing only 3,000 barrels a day.

Amedume, former head of the navy. Nigeria has protested along with a number of other African countries at what it sees as growing lawlessness within the armed forces.

West German to head Vauxhall

By Kenneth Gooding, Motor Industry Correspondent

A WEST GERMAN is to take over as president and managing director of Vauxhall Motors, the UK subsidiary of General Motors.

He is Mr. Ferdinand Beickler, 58, who joined Opel, GM's German offshoot, in 1937 as an apprentice toolmaker.

During this period GM has organised its European operations so that Opel is now responsible for developing passenger cars while Vauxhall, through its Bedford subsidiary, is responsible for commercial vehicles.

Mr. Price, 53, is leaving the UK to become GM's first director of international social action, and he described this as "the fulfilment of a deeply felt personal wish."

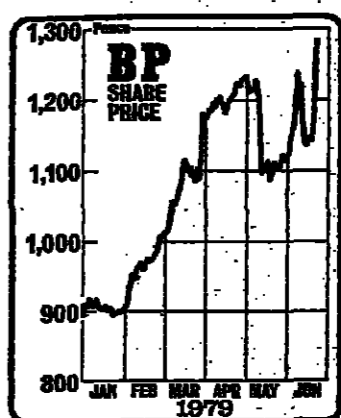
He will work with the management of GM's international operations with responsibility for planning, development and implementation of social programmes.

The changes at Vauxhall will bring additional responsibility for Mr. Geoffrey Moore, director responsible for public, government and industry relations and passenger car sales. In August he also becomes chairman of Beickler, reporting to Mr. Beickler.

THE LEX COLUMN Uphill currency fight for BAT

Subject to exchange rate movements, BAT Industries expects its net attributable profits to show a sustained increase in the 12 months to next September—and there should be some kind of progress even with sterling at its present levels.

Index rose 1.8 to 475.2



The U.S. acquisition, Appleton, is running ahead of target and accounts for nearly three-fifths of the improvement, and the original business is also doing well, apart from the pulp mill at Port William.

However BAT is still improving its share of the less mature markets, and its total volume is rising at 4 or 5 per cent a year.

On recent form it should be easy to place some stock on Wall Street. Interest in BP has been revived there recently after a long period of disillusionment with the dull performance of the shares in the month after the last offer for sale.

Investors shopping to beat the OPEC price rises have been piling into BP shares—the next best thing to crude oil—over the last few days, and yesterday

the price reached £13. This is a mouth-watering level for the biggest potential seller of the stock, the British Government.

There looks to be every reason for the authorities to go ahead with selling off a slice of BP as soon as possible.

Assuming that active work is already being done on the issue, it should be possible to launch it in early September. The documentation will have to be comprehensive, particularly if, as in 1977, there is a parallel launch in the U.S. market, but the prospectuses drawn up only two years ago are there to be built upon.

Certainly the buyers are prepared to overlook the bad news at the moment—the imminent sale of the Government holding appears to have been discounted, along with the impact of higher taxation on

North Sea and Alaskan earnings. The market does not seem to be even considering the possibility that the oil supply position might be easier, as the oil companies' profit thinner, in a few months time.

But the Bank of England might be able to put its newly acquired expertise in issue stock by partly-paid tender good use. In September, after all, BP should be announcing a handsome second quarter figure with a good dividend too.

Perhaps another OPEC meeting could be arranged to be the time to go with a bang.

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